



AGENDA

CALL TO ORDER

PLEDGES OF ALLEGIANCE

INVOCATION

PRESENTATIONS AND RECOGNITIONS

1. Proclamation Recognizing Stop the Silence: National Sexual Assault Awareness Month, National Child Abuse Prevention Month, and National Crime Victim's Week
2. Proclamation Honoring Fifty Women Strong
3. Presentation of Night Market Ran by Kandas Newby

CITIZENS GENERAL DISCUSSION

REGULAR AGENDA

4. Consider Acceptance of Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025
5. Discussion of Erath-Somervell County Sub-Regional Planning Commission and 765kv Transmission Lines
6. Consider Approval of an Assessment Resolution for Steering Committee of Cities Served by Atmos
7. Consider Approval of Preliminary Development Agreement with North 94 Land Development LLC.
8. Consider Approval of an Ordinance Amending the City of Stephenville Code of Ordinances, Chapter 130, Article II, Section 130.16 - Sale of Alcoholic Beverages (B) Required; Fee
9. Consider Approval of Resolutions Reaffirming Policies in Connection with the TxCDBG CDV25-0328 Grant for Tarleton Street Infrastructure Improvements
10. Review and Discuss Texas Department of Agriculture's Section 3 Policy Updated Information for the City's TxCDBG Contract CDV25-0328 Grant for Tarleton Street Infrastructure Improvements
11. Consider Approval of Utility Easement for Erath County Humane Society

PLANNING AND ZONING COMMISSION

Steve Killen, Director of Development Services

12. Application No.: RP&RZ 2026-9451

Applicant Johnny Hopper, Representing Park 51, LLC., is Requesting Approval of a Replat with Simultaneous Rezoning of a Portion of Property Located at 125 W. Oak Street, Parcel R31420, being

approximately 1.00 acres of the S3500 Frey First Addition, BLK. 26; LOT 9 of the City of Stephenville, Erath County, Texas from Industrial (I) to Integrated Housing (R-2.5)

13. **Public Hearing**

Application No.: RP & RZ 2026-9451

14. **Application No.: RP&RZ 2026-9451**

Consider Approval of a Replat with Simultaneous Rezoning of a Portion of Property Located at 125 W. Oak Street, Parcel R31420, being approximately 1.00 acres of the S3500 Frey First Addition, BLK. 26; LOT 9 of the City of Stephenville, Erath County, Texas from Industrial (I) to Integrated Housing (R-2.5)

15. **Application No.: PD 2026-9361**

Applicant Alex Bryant, Representing TSU Catholic, LLC., Barefoot Equity Partners, LLC., and Chris and DeAnne Martinelli, is Presenting an Updated Development Plan for Property Located at the Following:

1292 W Washington, Parcel R77944, being BLK. 134; LOTS 12; 18; 30B; 31 (PTS OF),
1334 W Washington, Parcel R30249, being BLK 134; LOT 40, ATM MACHINE,
1350 W Washington, Parcel R30251, being BLK. 134; LOTS 1;5;28,
1245 McNeill, Parcel R30278, being BLK 134; LOT 38A,
1255 McNeill, Parcel 30280, being BLK 134; Lots 38,
1303 McNeill, Parcel R30272, being BLK. 134; LOT 32,
1345 McNeill, Parcel R30271, being BLK. 134; LOT 31 (S150),
1353 McNeil, Parcel R30270, being BLK. 134; LOT 30A and
1357 McNeill, Parcel 30269, being BLK 134; south 150 feet of LOT 29 of the

CITY ADDITION to the City of Stephenville, Erath County, Texas

16. **Public Hearing**

Application No.: PD 2026-9361

17. **Application No.: PD 2026-9361**

Consider Approval of Ordinance Updating the Development Plan for Property Located at the Following:

1292 W Washington, Parcel R77944, being BLK. 134; LOTS 12; 18; 30B; 31 (PTS OF),
1334 W Washington, Parcel R30249, being BLK 134; LOT 40, ATM MACHINE,
1350 W Washington, Parcel R30251, being BLK. 134; LOTS 1;5;28,
1245 McNeill, Parcel R30278, being BLK 134; LOT 38A,
1255 McNeill, Parcel 30280, being BLK 134; Lots 38,
1303 McNeill, Parcel R30272, being BLK. 134; LOT 32,
1345 McNeill, Parcel R30271, being BLK. 134; LOT 31 (S150),
1353 McNeil, Parcel R30270, being BLK. 134; LOT 30A and
1357 McNeill, Parcel 30269, being BLK 134; south 150 feet of LOT 29

of the CITY ADDITION to the City of Stephenville, Erath County, Texas

18. **Application No.: REPEAL – 2023-O-09**

Applicant Alex Bryant, Representing TSU Catholic, LLC., and Barefoot Equity Partners, LLC., is Requesting Ordinance 2023-O-09 be Repealed

19. **Public Hearing**

Application No.: REPEAL - 2023-O-09

20. **Application No.: REPEAL – 2023-O-09**

Consider Approval of Ordinance Repealing Ordinance 2023-O-09

FINANCIAL REPORTS

Monica Harris, Director of Finance

- 21. Monthly Budget Review for the Period Ending February 28, 2026

CONSENT AGENDA

- 22. Consider Approval of Minutes from March 3, 2026 - Regular Meeting
- 23. Consider Approval of Minutes from March 17, 2026 - Special Meeting

COMMENTS BY CITY MANAGER

COMMENTS BY COUNCIL MEMBERS

EXECUTIVE SESSION

In compliance with the provisions of the Texas Open Meetings Law, Subchapter D, Government Code, Vernon's Texas Codes, Annotated, in accordance with

- 24. **Section 551.072 Deliberation Regarding Real Property** - to deliberate the purchase, exchange, lease, or value of real property, to wit: real property located in S2600 CITY ADDITION

ACTION TAKEN ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF NECESSARY

ADJOURN

EXECUTIVE SESSION NOTICE

Note: The Stephenville City Council may convene into Executive Session on any matter related to any of the above agenda items for a purpose, such closed session allowed under Chapter 551, Texas Government Code.

In accordance with the Americans with Disabilities Act, persons who need accommodation to attend or participate in this meeting should contact City Hall at 254-918-1287 within 48 hours prior to the meeting to request such assistance.

Proclamation - Stop the Silence

Whereas, National Crime Victims' Rights Week was established in 1981 by President Ronald Reagan as part of an effort to bring attention and support to victims of crime and is being observed the week of April 19-25, 2026 with the theme of "Listen. Act. Advocate. Protect victims, serve communities." to recognize victims of crime in the United States. National Crime Victims' Rights Week provides an opportunity to recommit to ensuring that accessible, appropriate, and trauma-informed services are offered to all victims of crime; and

Whereas, in 1983, April was designated National Child Abuse Prevention Month, and our community acknowledges that we must work together as a community to increase awareness about child abuse and contribute to promote the social and emotional well-being of children and families in a safe, stable, nurturing environment; and

Whereas, National Sexual Assault Awareness month was first nationally recognized in April 2001 as an effort to bring awareness about sexual assault and educate communities and individuals on prevention of sexual violence; and

Whereas, our community has dedicated individuals and organizations who work daily to counter the problems and provide resources to victims of violent crimes, child abuse and neglect, and sexual assault; and

Whereas, since the passage of the Victims of Crime Act in 1984, and through the dedicated work of advocates, lawmakers, and victims service providers, there is a growing array of services and resources available to victims and their loved ones; and

Whereas, Stop the Silence has been created to combine awareness of these causes in Erath County.

NOW, THEREFORE, reaffirming this, the City of Stephenville, City of Dublin, Erath County and Tarleton State University commit to creating a victim service and criminal justice response that assists all victims of crimes throughout the year; and do hereby proclaim the week of April 19-25, 2026 as Crime Victims' Rights Week.

Presented this the 28th day of April, 2026.

Lonn Reisman, Mayor of City of Stephenville

Brandon Huckabee, Erath County Judge

Dr. James Hurley, President of Tarleton State University

David Leatherwood, Mayor of City of Dublin



**PROCLAMATION HONORING FIFTY WOMEN STRONG FOR THEIR DEDICATION TO
COMMUNITY DEVELOPMENT AND SERVICE**

WHEREAS, the City of Stephenville is proud to recognize the many individuals and organizations whose volunteerism, leadership, and dedication strengthen the quality of life for our residents and contribute to the continued growth and vitality of our community; and

WHEREAS, Fifty Women Strong has demonstrated an outstanding commitment to the betterment of Stephenville and Erath County through collective giving, volunteer service, and support of initiatives that enhance community development; and

WHEREAS, through their generosity, vision, and collaboration, the members of Fifty Women Strong have invested their time, talents, and resources to support local projects, charitable organizations, and initiatives that enrich the lives of citizens throughout Stephenville and Erath County; and

WHEREAS, since its founding, Fifty Women Strong has awarded \$249,000 in grants to 30 local organizations, providing meaningful support to programs and projects that improve the lives of residents and strengthen the fabric of our community; and

WHEREAS, the efforts of Fifty Women Strong exemplify the spirit of civic engagement and philanthropy that helps communities thrive, inspires others to serve, and strengthens the bonds that unite our citizens; and

WHEREAS, the City of Stephenville is honored to recognize and celebrate organizations such as Fifty Women Strong whose dedication, leadership, and compassion contribute meaningfully to the prosperity and well-being of our community.

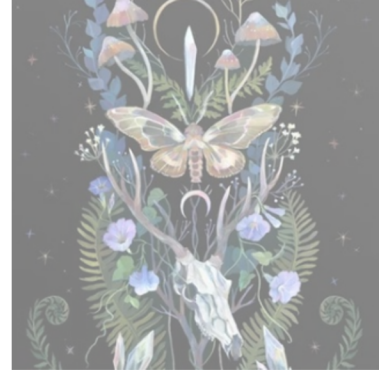
NOW, THEREFORE, I, Lonn Reisman, Mayor of the City of Stephenville, do hereby proclaim our appreciation and recognition of FIFTY WOMEN STRONG for their remarkable contributions to community development and their unwavering service to the citizens of Stephenville and Erath County.

IN WITNESS WHEREOF, I have hereby set my hand and caused to be affixed the seal of the City of Stephenville, Texas, this 7th day of April 2026.

Lonan Reisman, Mayor of Stephenville



Fae-Root & Fossil Market



When? The second Saturday of each month from 5pm to 11pm.

Where? Our hope is the Downtown Plaza (right off of the square).

What and Why?

- 1) a market embracing the diversity of our community
- 2) providing an activity for adults, and children, to do on a Saturday evening
- 3). Support small, local businesses



CITY OF
STEPHENVILLE, TX

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2025



*ANNUAL COMPREHENSIVE
FINANCIAL REPORT*

of the

City of Stephenville, Texas

**For the Year Ended
September 30, 2025**

Prepared by:
Finance Department

Monica Harris
Director of Finance



City of Stephenville, Texas

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INTRODUCTORY SECTION





298 W Washington St, Stephenville, TX 76401

March 27, 2026

TO: The Honorable Mayor, Members of the City Council, and the Citizens of Stephenville (the “City”)

The Finance Department and City Manager's Office are pleased to submit the Annual Comprehensive Financial Report for the City of Stephenville, Texas for the fiscal year ended September 30, 2025.

This report provides the city council, city staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the city government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the city.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of the operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

BrooksWatson & Co. has issued an unmodified (“clean”) opinion on the City's financial statements for the year ended September 30, 2025. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY PROFILE



Location

The City is a political subdivision and municipal corporation of the State of Texas, duly organized and existing under the laws of the state and the City's home rule charter. The City was incorporated in 1889 and chartered a home-rule city under Texas law in 1961. The city is located on the intersection of U.S. Highways 67, 281, and 377. The city occupies approximately 12.20 square miles and serves a population of about 21,512. The City is empowered by state statutes to levy a tax on both real and business personal property located within its boundaries.

The city operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and eight (8) council members. The city council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the City, and appointing heads of various departments. The mayor and city council members each serve two-year terms, limited to three terms, and are elected at large.

The basic financial statements of the City include all governmental activities, organizations, and functions for which the City is financially accountable as defined by the Government Accounting Standards Board (GASB). The City of Stephenville is financially accountable for a legally separate economic development corporation, which is reported separately within the City of Stephenville's financial statements. Additional information on the legally separate entity can be found in the notes to the financial statements (see note 1. B).

Services Provided

The city provides a full range of services, including public safety (police, fire, emergency medical, and municipal court), maintenance of streets and infrastructure, sanitation services, maintenance of the treated water distribution system, maintenance of the sanitary sewer collection and treatment systems, maintenance of the storm water drainage collection and transmission systems, recreational activities, cultural events, tourism, landfill operations, airport facility maintenance, as well as general administrative services.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received, and the liabilities incurred. Accounting records for the City's utilities and other enterprise funds, as well as the discrete component unit, are maintained on an accrual basis

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual budget serves as the foundation of the City's financial planning and control. The city council formally adopts the annual budget and legally appropriates available monies for activities of the General Fund, Special Revenue Funds, Capital Project Funds, and the Debt Service Fund. Budgets are adopted for proprietary funds and the discrete component unit annually only as a management tool.

No later than August 16th of each year, the city manager submits to the city council a proposed budget, which provides a complete plan for the fiscal year commencing October 1. The budget includes proposed expenditures and the means of financing them. The proposed budget is made available for public inspection, and a public hearing is held to allow for citizen comment. After the public hearing, the council may make changes to any item in the budget, except those fixed by law. No later than September 23rd, the budget is legally enacted by ordinance, which sets the limit on expenditures during the fiscal year. Additional expenditures may be authorized in the case of public necessity to meet unusual and unforeseen conditions, which could not have reasonably been foreseen at the time the budget was adopted.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the departmental level; however, expenditures are monitored monthly at the department level to ensure financial accountability by department directors. Management control of budgets is further maintained at the line-item level within the department. The city also maintains an encumbrance accounting system to further accomplish budgetary control. Appropriations not spent or legally encumbered lapse at year-end. Encumbrances are generally re-appropriated as a part of the following year's budget. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

ECONOMIC CONDITION

Local Economy

The City serves as the center of commerce and recreation to almost 44,000 Erath County residents and has a commercial trade area of over 120,000. The city is the county seat and the principal commercial, medical, retail, educational and industrial center of Erath County. The city currently enjoys a stable and diversified economic environment, bolstered by the strength of both the Cross Timbers area and the State of Texas. Our economy is based on agriculture, manufacturing, and Tarleton State University. Agriculture has long been Erath County's leading industry with livestock, especially beef, dairy, and other livestock production. Erath County accounts for over 8% of the state's total milk production. The city is fortunate to have several manufacturing industries in town. Local manufacturing includes coated abrasives, oilfield related products, cheese products, fiber gratings and fasteners, metal processing of electrical products, trailer customization, forged pipe unions, and cleaning products. Tarleton State University, a member of the Texas A & M System, provides further economic stability as the largest employer. The Stephenville student body includes representatives from 231 Texas counties, 50 states, and 40 foreign countries. Tarleton's Stephenville Campus 2025 fall enrollment was more than 15,500 students with total enrollment across all Tarleton Campuses, including online, exceeding 19,500 students.

Stephenville ranks high in the state for the quality of work environment. As of September 2025, with unemployment at 4.1% statewide, Stephenville's unemployment was 3.9%. The city has adequate, yet below-average, wealth and income due to the high volume of college students in the work force. According to the U. S. Census Bureau's 2024 American Community Survey published in 2025, Stephenville's median household income is \$53,015 compared to \$70,518 for Dallas and \$78,476 for Texas. In addition, according to the survey, the workforce is educated with 33.3% of the population having a bachelor's degree or higher, compared to 38.2% for Dallas and 33.8% for Texas.

The growing property values, sales tax receipts and building activity reflect the area's positive economic climate. The City continues to have new residential, commercial, and educational building construction, adding over thirty-six million dollars in new taxable value for the 2025 property tax rolls. A 33-room boutique hotel with a fine dining restaurant opened in January 2025. In mid-2025, a distribution center for a major online retailer started operations. Also, in mid-2025, a locally owned tap house opened in a new permanent location. A major western wear retailer opened in September 2025. In addition, several small coffee houses, restaurants, and boutique retail establishments opened in 2025. The Stephenville Economic Development Authority (SEDA) continues to receive many new economic development inquiries from companies interested in locating their business in Stephenville and has several projects in the works. Stephenville had modest growth in single family homes/townhouses yet gained 52 multi-family units in 2025. In fiscal year 2025, there were 19 commercial building permits and 80 residential building permits, of which many will be completed in fiscal year 2026. Currently, there are at least three multi-family and townhouse complexes in varying construction stages totaling at least 415 residential units. A retirement center for seniors was recently completed that contains 48 residential units. Two hotels are under construction, and they will add over 200 hotel rooms; one will include a restaurant. A developer purchased the old senior center and is converting the space into a boutique hotel and retail space, while keeping many of the historic aspects of the original building. An industrial lease space is nearing completion and Oncor, an electric service provider, is constructing a new service center. Tarleton State University, an NCAA Division 1 school, continues to experience steady growth in student enrollment and has plans for the construction of two dorms, as well as another multi-level parking garage. Tarleton completed and opened its convocation center in September 2025, bringing several entertainments events to the city.

Long-Term Financial Planning

The City's ability to respond to on-going economic challenges requires careful long-range planning, which is addressed during the budget process. The City has responded to the economy by fiscal conservatism and implementing operating budget efficiencies that have resulted in maintaining healthy fund balances in its general

fund and water/wastewater funds. In fiscal year 2025, over \$1.5 million in fund balance was utilized to build a senior center. In fiscal year 2026, over \$1.8 million is being utilized to build a joint dispatch center in partnership with Erath County. This partnership is anticipated to generate savings for both entities. A portion of the Water/Wastewater fund balance is being utilized to assist in the funding of water and sewer infrastructure projects.

Users of this document are encouraged to read the City's Fiscal Year 2025-2026 Budget. The document details the City's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the City's capital improvement program. Also available for reference is the City of Stephenville's Comprehensive Plan, which maps out the City's future strategies.

In addition, the City continues to recognize the long-term financial implications of its pension and retiree health benefits. Each year TMRS options are reviewed, and decisions are made accordingly. The city does not provide for retiree health care, as the city provides a sustainable benefit to our employees without shifting costs to future taxpayers.

Relevant Financial Policies

The City Council has adopted a series of financial standards and policies for operating and debt management. The management of the City has made every effort to comply with these standards and policies and believe we are currently in compliance.

The City Council Finance Committee meets on an as-needed basis to discuss financial and budgetary information, financial policies, fund balance reserve requirements and tax rate setting information. None of the City's financial policies had a significant impact on the current period's financial statements, as the City was able to maintain reserve levels within the stated policies for the governmental funds. Constant review of revenue and expenditure trends and reserve levels is maintained with specific responsibility assigned to the Finance Director and City Manager. The City's Finance Department publishes a monthly financial report which provides internal and external users with a general awareness of the City's financial position and economic activity.

Major Initiatives

The city currently has several projects underway. The city completed over \$600,000 in street and sidewalk improvements in fiscal year 2025 and has appropriated almost \$3 million in routine street improvements for fiscal year 2026; the majority of which was from funds unspent in fiscal year 2025. The Clark Field Municipal Airport is working on a runway extension project. This is an estimated \$10 million dollar project with a 90/10 match coming from TXDOT Aviation. The environmental study has been completed; surveys and appraisals of surrounding properties have been carried out, and the land needed has been purchased. An airport layout plan is currently underway to move the project forward to design and construction. Phase one of a major sewer project was completed with a cost of over \$28 million. This project is a three-phase project to alleviate sanitary sewer overflow issues and expand servicing areas, affecting 80% of the City. Another phase of this project is currently in the design phase. A new well field with transmission line was completed and placed in service in fiscal year 2025. Design of a new 1.5-million-gallon ground storage tank has been completed, and construction of the project has been awarded and will start soon. Construction of a new ballfield is underway at the main city park and will be completed in a few months. In addition, the city partnered with Erath County, committing approximately \$1.8 million dollars for a Combined Dispatch Center, which is in the construction phase and expected to be operational in late summer 2026.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire city staff. We would like to express our appreciation to all the staff members who assisted and contributed to its preparation. We would also like to thank the Mayor and City Council Members for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,



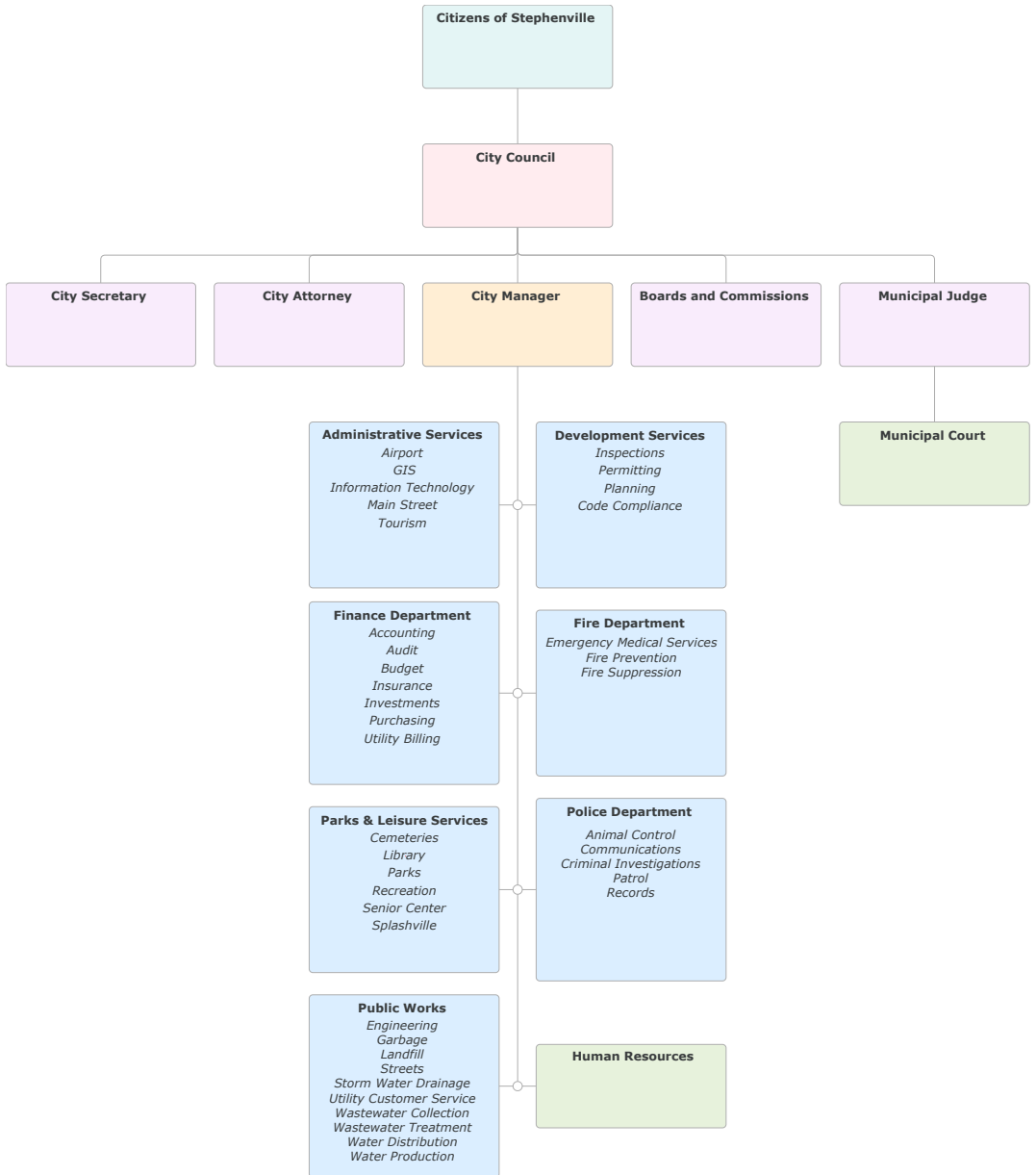
Jason M. King
City Manager



Monica D. Harris
Director of Finance



City of Stephenville Organizational Chart





City Council

as of September 30, 2025

| | |
|-------------------------|------------------|
| Mayor Pro Tem (Place 6) | David Baskett |
| Place 1 | LeAnn Durfey |
| Place 2 | Gerald Cook |
| Place 3 | Lonn Reisman |
| Place 4 | Dean Parr |
| Place 5 | Maddie Smith |
| Place 7 | Brandon Greenhaw |
| Place 8 | Alan Nix |

Staff

as of September 30, 2025

| | |
|--------------------------------------|--------------------|
| City Manager | Jason M. King |
| Director of Administrative Services | Darrell Brown |
| Director of Finance & Administration | Monica D. Harris |
| Director of Utilities | Nick Williams |
| Police Chief | Dan M. Harris, Jr. |
| Fire Chief | Robert Isbell |
| Director of Development Services | Steve Killen |
| Director of Parks & Leisure Services | Daron Trussell |
| City Secretary | Sarah Lockenour |

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FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Stephenville, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stephenville, Texas (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stephenville, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Stephenville, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note V.E. to the financial statements, due to prior year accounting errors and the implementation of GASB 101, *Compensated Absences*, the City restated beginning net position for governmental activities, business-type activities, component-unit activities, the water and sewer fund, the sanitary landfill fund, and the airport fund. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedules of changes in other postemployment benefits liability and related ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Brooks Watson & Co.
Certified Public Accountants
Houston, Texas

March 27, 2026

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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City of Stephenville, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

As management of the City of Stephenville, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (net position) at September 30, 2025 by \$142,137,291.
- The City's total net position increased by \$9,508,762. The majority of the City's net position is invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported combined ending fund balances of \$28,067,010 at September 30, 2025, an increase of \$3,345,824 from the prior fiscal year; this includes an increase of \$3,108,897 in the general fund, a decrease of \$396,283 in the capital projects fund, and an increase of \$633,210 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$18,659,226 or 84% of total general fund expenditures.
- The City's outstanding bonds and certificates of obligation payable decreased by \$3,245,000 from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year were \$47,480,000.
- The City's net pension asset totaled \$4,102,511 as of year end.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

City of Stephenville, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2025

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, culture and recreation, community development, public safety, and public works. The business-type activities of the City include water and wastewater, stormwater drainage, airport and sanitary landfill operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Stephenville Economic Development Authority for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 22-27 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

City of Stephenville, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2025

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects funds, which are the only major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, capital projects and special revenue funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 28-35 of this report.

Proprietary Funds

The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and wastewater services, airport, storm water drainage operations, and sanitary landfill operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, production and distribution, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater, the storm water drainage fund, and sanitary landfill fund, since they are considered major funds of the City.

The basic proprietary fund financial statements can be found on pages 36-45 of this report.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

Component Unit

The City maintains the accounting and financial statements for two component units. The Stephenville Economic Development Authority is a discretely presented component unit displayed on the government-wide financial statements. The component unit basic fund financial statements can be found on pages 117-120 of this report.

The Tax Increment Financing fund ("TIF") is a special purpose fund that collects property and sales taxes within its boundaries for the purpose of infrastructure development. The fund's board consists of the City Council and is reported as a blended component unit, as it functions similar to a department of the City.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 47-93 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison for the general fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Stephenville, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by \$142,137,291 as of September 30, 2025, in the primary government.

The largest portion of the City's net position, \$103,670,768, reflects its investments in capital assets (e.g., land, city hall complex, recreation hall, streets, water and wastewater system, airport hangar, sanitary landfill systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

| | 2025 | | | 2024 | | |
|---------------------------|----------------------------|-----------------------------|-----------------------|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Total | Governmental Activities | Business-Type Activities | Total |
| Current and | | | | | | |
| other assets | \$ 30,145,360 | \$ 17,741,655 | \$ 47,887,015 | \$ 28,026,584 | \$ 21,712,297 | \$ 49,738,881 |
| Capital assets, net | 41,571,423 | 110,047,188 | 151,618,611 | 49,152,104 | 99,893,050 | 149,045,154 |
| Net pension asset | 3,391,956 | 616,608 | 4,008,564 | 1,572,936 | 249,507 | 1,822,443 |
| Total Assets | <u>75,108,739</u> | <u>128,405,451</u> | <u>203,514,190</u> | <u>78,751,624</u> | <u>121,854,854</u> | <u>200,606,478</u> |
| Deferred | | | | | | |
| Outflows | <u>3,223,698</u> | <u>585,404</u> | <u>3,809,102</u> | <u>4,550,981</u> | <u>722,260</u> | <u>5,273,241</u> |
| Other liabilities | 4,487,483 | 5,160,138 | 9,647,621 | 5,409,759 | 7,421,595 | 12,831,354 |
| Long-term liabilities | 16,557,594 | 33,671,896 | 50,229,490 | 17,732,025 | 36,752,094 | 54,484,119 |
| Total Liabilities | <u>21,045,077</u> | <u>38,832,034</u> | <u>59,877,111</u> | <u>23,141,784</u> | <u>44,173,689</u> | <u>67,315,473</u> |
| Deferred Inflows | <u>3,150,643</u> | <u>2,158,247</u> | <u>5,308,890</u> | <u>2,859,567</u> | <u>2,088,149</u> | <u>4,947,716</u> |
| Net Position: | | | | | | |
| Net investment | | | | | | |
| in capital assets | 25,369,989 | 78,300,779 | 103,670,768 | 30,980,280 | 68,534,796 | 99,515,076 |
| Restricted | 9,789,055 | 2,791,235 | 12,580,290 | 6,462,931 | 2,319,955 | 8,782,886 |
| Unrestricted | 18,977,673 | 6,908,560 | 25,886,233 | 19,858,043 | 5,460,525 | 25,318,568 |
| Total Net Position | <u>\$ 54,136,717</u> | <u>\$ 88,000,574</u> | <u>\$ 142,137,291</u> | <u>\$ 57,301,254</u> | <u>\$ 76,315,276</u> | <u>\$ 133,616,530</u> |

Current assets of governmental activities were \$30,145,360 and \$28,026,584 as of September 30, 2025 and September 30, 2024, respectively. The increase of \$2,118,776 was primarily attributable to greater cash on hand as of yearend due to operating surpluses in the current year. Current assets of business-type activities were \$17,741,655 and \$21,712,297 as of September 30, 2025 and September 30, 2024, respectively. The decrease of \$3,970,642 was primarily attributable to less cash on hand, resulting from available funds utilized for new capital improvements and paying down debt obligations. Total capital assets increased by \$2,573,457 due to ongoing investment in City infrastructure and other capital assets. Other liabilities of the primary government decreased by \$3,183,733 primarily due to nonrecurring outstanding payables for capital investments at the end of the prior year and timing of repayments.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

Statement of Activities:

The following table provides a summary of the City's changes in net position:

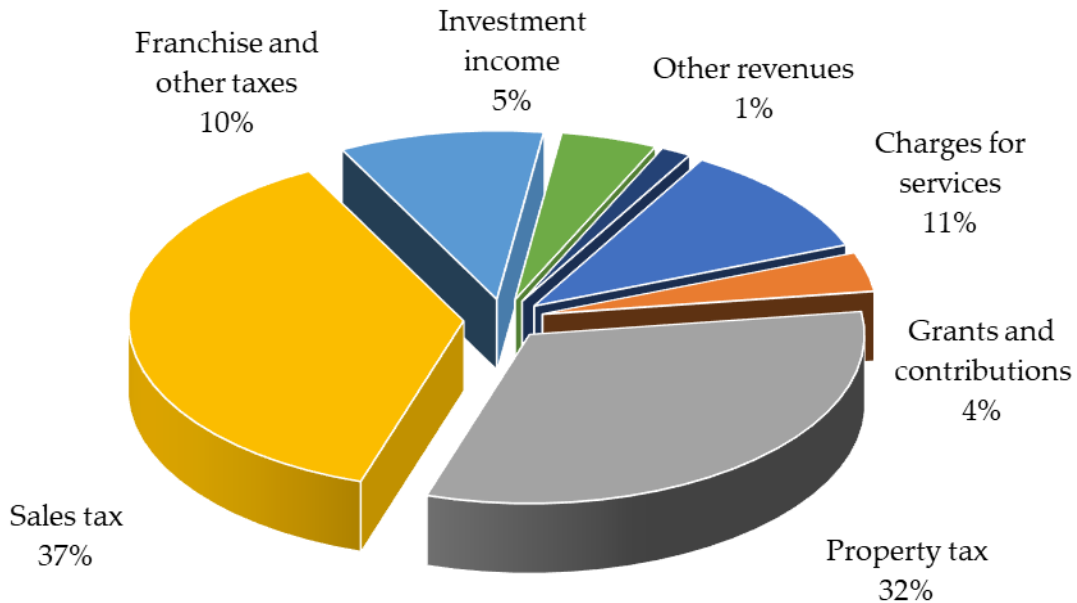
| | For the Year Ended September 30, 2025 | | | For the Year Ended September 30, 2024 | | |
|-------------------------------|---------------------------------------|-----------------------------|--------------------------------|---------------------------------------|-----------------------------|--------------------------------|
| | Governmental Activities | Business-Type Activities | Total Primary Government | Governmental Activities | Business-Type Activities | Total Primary Government |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 2,656,454 | \$ 15,766,853 | \$ 18,423,307 | \$ 2,033,968 | \$ 14,003,682 | \$ 16,037,650 |
| Grants and contributions | 923,779 | 630,999 | 1,554,778 | 2,005,432 | 2,261,842 | 4,267,274 |
| General revenues: | | | | | | |
| Property tax | 7,937,019 | - | 7,937,019 | 7,511,894 | - | 7,511,894 |
| Sales tax | 9,243,880 | - | 9,243,880 | 8,878,221 | - | 8,878,221 |
| Franchise and other taxes | 2,437,262 | - | 2,437,262 | 2,404,437 | - | 2,404,437 |
| Investment income | 1,148,195 | 722,243 | 1,870,438 | 1,366,533 | 1,331,949 | 2,698,482 |
| Other revenues | 362,782 | 501,624 | 864,406 | 167,474 | 146,664 | 314,138 |
| Total Revenues | 24,709,371 | 17,621,719 | 42,331,090 | 24,367,959 | 17,744,137 | 42,112,096 |
| Expenses | | | | | | |
| General government | 4,316,545 | - | 4,316,545 | 3,704,676 | - | 3,704,676 |
| Culture and recreation | 3,274,369 | - | 3,274,369 | 3,111,473 | - | 3,111,473 |
| Community development | 620,249 | - | 620,249 | 937,394 | - | 937,394 |
| Public safety | 12,373,681 | - | 12,373,681 | 11,018,052 | - | 11,018,052 |
| Streets | 1,642,824 | - | 1,642,824 | 1,527,486 | - | 1,527,486 |
| Interest on long-term debt | 544,480 | 839,780 | 1,384,260 | 215,641 | 788,518 | 1,004,159 |
| Water and wastewater | - | 7,499,159 | 7,499,159 | - | 6,623,054 | 6,623,054 |
| Airport | - | 382,092 | 382,092 | - | 297,617 | 297,617 |
| Storm water drainage | - | 407,208 | 407,208 | - | 535,622 | 535,622 |
| Sanitary landfill | - | 921,941 | 921,941 | - | 992,412 | 992,412 |
| Total Expenses | 22,772,148 | 10,050,180 | 32,822,328 | 20,514,722 | 9,237,223 | 29,751,945 |
| Change in Net Position | | | | | | |
| Before Transfers | 1,937,223 | 7,571,539 | 9,508,762 | 3,853,237 | 8,506,914 | 12,360,151 |
| Transfers | (4,220,305) | 4,220,305 | - | 2,592,296 | (2,592,296) | - |
| Total | (4,220,305) | 4,220,305 | - | 2,592,296 | (2,592,296) | - |
| Change in Net Position | (2,283,082) | 11,791,844 | 9,508,762 | 6,445,533 | 5,914,618 | 12,360,151 |
| Beg. Net Position, restated * | 56,419,799 | 76,208,730 | 132,628,529 | 50,855,721 | 70,400,658 | 121,256,379 |
| Ending Net Position | \$ 54,136,717 | \$ 88,000,574 | \$ 142,137,291 | \$ 57,301,254 | \$ 76,315,276 | \$ 133,616,530 |

*Includes restatement for implementation of new accounting standard – GASB 101

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities Revenues

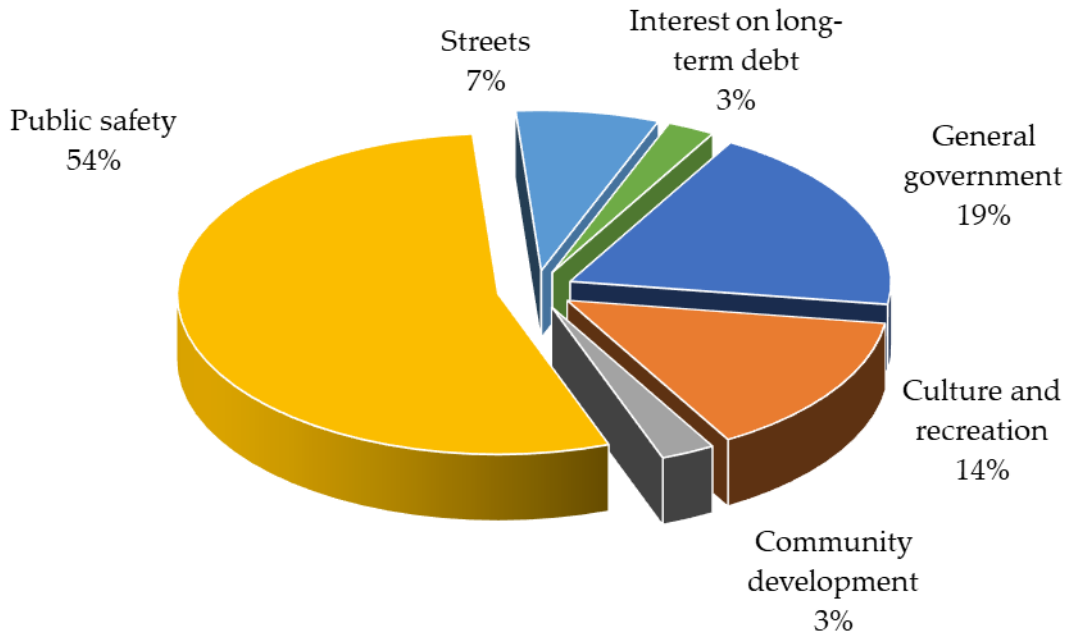


For the year ended September 30, 2025, revenues from governmental activities totaled \$24,709,371. Property tax and sales tax are the City's largest general revenue sources. Overall revenue increased \$341,412 or 1% from the prior year. Charges for services increased by \$622,486 or 31% primarily due to greater recreational activity revenues, ambulance services, parkland dedication fees, and building permits in the current year. Grants and contributions decreased \$1,081,653 primarily as a result of nonrecurring capital grants and intergovernmental revenue received in the prior year. Property taxes increased by \$425,125 or 6% primarily due to greater appraised values in the current year. Investment income decreased by \$218,338 or 16% primarily as a result of the realization of lower interest rates in the current year. Other revenue increased by \$195,308 or over 100% primarily due to nonrecurring gain on sale of assets in the current year. All other revenues remained relatively stable when compared to the previous year.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

This graph shows the governmental function expenses of the City:

Governmental Activities Expenses

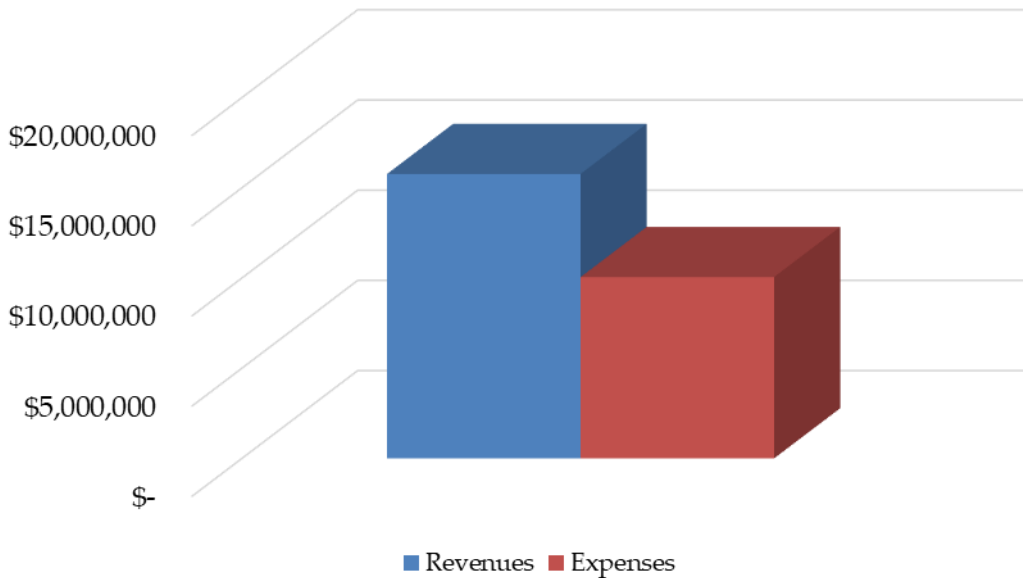


For the year ended September 30, 2025, expenses for governmental activities totaled \$22,772,148. This represents an increase of \$2,257,426 or 11% from the prior year. The City's largest functional expense is public safety totaling \$12,373,681 and increased by \$1,355,629 or 12% compared to the prior year. The increase was primarily the result of nonrecurring equipment maintenance and dispatch operating expenses, as relating to the new Interlocal agreement with Erath County finalized during the year. In addition, the City incurred greater personnel costs and asset depreciation expenses in the current year. Culture and recreation increased by \$162,896 or 5% primarily as a result of greater youth recreation contract expenses, aquatic center salaries, and nonrecurring park vehicle maintenance and senior center supply purchases in the current year. General government expenses increased by \$611,869 or 17% primarily due to greater personnel costs, nonrecurring computer maintenance, outside professional fees, and nonrecurring liability claims paid in the current year. Interest and fiscal charges increased by \$328,839 or 152% primarily due to the City implementing a change in accounting method for amortization of bond premiums in the prior year. Total interest expenses were reduced by a significant amount during fiscal year 2024 in order to present outstanding bond premiums using the effective interest method, as opposed to the straight-line method. All other expenses remained relatively stable when compared to the previous year.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2025, charges for services by business-type activities totaled \$15,766,853. This is an increase of \$1,763,171, or 13%, from the previous year. This is primarily a result of greater sewer stormwater drainage service rates charged to customer in the current year. Grants and contributions decreased by \$1,630,843 or 72% primarily due to nonrecurring federal grants received in the prior year.

Total expenses increased \$812,957 or 9% to a total of \$10,050,180. Water and wastewater department increased by \$876,105 or 13% primarily due to greater personnel costs, nonrecurring meter maintenance, billing collection expenses, and asset depreciation in the current year. Storm water drainage expenses decreased by \$128,414 or 24% primarily due to nonrecurring professional fees relating to service rate analysis and flood protection studies in the current year. Airport expenses increased by \$84,475 or 28% primarily due to nonrecurring maintenance projects and greater utilities expenses in the current year. Sanitary landfill expenses decreased by \$70,471 or 7% primarily due to nonrecurring landfill site closure costs in the prior year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At September 30, 2025, the City's governmental funds reported combined fund balances of \$28,067,010, an increase of \$3,345,824 in comparison with the prior year. Approximately 66% of this amount, \$18,659,226, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Nonspendable fund balance totaled \$205,593 for inventories/prepays and assigned fund balance totaled \$1,652,659. The remainder of the fund balance is restricted for particular purposes totaling \$7,549,532.

As of the end of the year, the general fund reflected a total fund balance of \$20,489,533. General fund balance increased by \$3,108,897. This increase is a result of greater property and sales tax collections and a reduction in transfers out to other funds compared to the prior year.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$18,659,226 is 84% of total general fund operating expenditures.

As of the end of the year, the capital projects reflected a total fund balance of \$4,481,456, a decrease of \$396,283 compared to the prior year. The change was primarily due to capital outlay expenditures exceeding revenues and transfers in during the current year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the City's largest proprietary fund, the water and wastewater fund, totaled \$61,665,817. Unrestricted net position at the close of the fiscal year amounted to \$1,232,760, and overall net position increased \$4,627,652 from the previous year. Total investment in capital assets, net of related debt of was \$58,363,500, and capital assets, net of depreciation totaled \$85,792,422.

GENERAL FUND BUDGETARY HIGHLIGHTS

Supplemental budget amendments were approved during the fiscal year increasing total budgeted expenditures by \$169,608 and increasing total revenues by \$146,000, resulting in a decrease in final budgeted fund balance of \$2,681,850. Total budgeted revenues of \$19,656,479 were less than actual revenues of \$21,559,963, resulting in a total positive revenue variance of \$1,903,484. Total budgeted expenditures of \$24,502,150 were greater than actual expenditures of \$22,088,445, resulting in a total positive expenditure variance of \$2,413,705. During the year, six general fund departments exceeded appropriations at the legal level of budgetary control.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$41,571,423 in a variety of capital assets and infrastructure. The City's business-type activities funds had invested \$110,047,188 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, improvements, and infrastructure. Major capital asset events during the current year include the following:

- Purchased new vehicles/equipment for governmental activities - \$355,441.
- Terrel Park inclusive playground equipment - \$253,932.
- Purchase new EMS equipment - \$85,869.
- Harbin Drive improvements - \$524,117.
- City Park baseball field project investments - \$257,000.
- Cross Timbers Legacy Center improvements - \$782,242.
- Lillian ground water storage tank improvements - \$213,720.
- Hwy 377 elevated tank rehabilitation - \$48,000.
- Chamberlin waterline - \$112,979.
- Purchase five new utility vehicles - \$275,314.
- Eastside sewer interceptor - \$1,649,604.
- City Park sewer line replacement - \$696,882.
- Chamberlin sewer line improvements - \$192,039.
- Wastewater plant upgrades - \$138,538.
- Water/sewer equipment replacements - \$545,802.
- Airport layout plan (engineering) - \$366,885.
- Landfill machinery & equipment - \$234,534.
- Governmental activities capital assets transferred to business-type activities - \$6,666,411.
- Business-type activities capital assets transferred to governmental activities (Chamberlin street improvements) - \$64,544

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

The City's outstanding bonds and certificates of obligation (excluding premiums and discounts) payable decreased by \$3,245,000 from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year were \$47,480,000. The City made \$4,268,792 in principal payments on outstanding bonds, certificates of obligation, and notes/lease obligations. During the year, the City entered into a new software subscription lease agreement totaling \$110,167. More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Local Economic Environment

The City's local economy continued to exhibit stable growth during Fiscal Year (FY) 2025. Sales tax collections exceeded the adopted budget by \$617,000 and were \$395,000 higher than FY 2024 actual collections, indicating sustained consumer activity. Notwithstanding this favorable performance, the FY 2026 sales tax budget was increased \$268,000 over the FY 2025 adopted budget to maintain a conservative revenue forecast consistent with prudent financial and management practices.

Taxable assessed property values also demonstrated continued growth. For tax year 2024, taxable assessed values increased 8% over tax year 2023, with more than \$28 million attributable to new taxable value. For tax year 2025, taxable assessed values increased an additional 4% over 2024, with more than \$38 million in new taxable value. This growth reflects ongoing residential and commercial development within the City.

The total property tax rate increased from \$0.3829 to \$0.4000 per \$100 of taxable value for tax year 2025 (FY 2026). The rate adjustment resulted in an overall increase to the property tax levy of approximately \$573,000, of which \$147,000 is attributable to new property added to the tax roll. The remaining increase reflects the rate adjustment and increases in taxable value applied to the existing tax base.

Development activity remained robust during FY 2025. The City issued 231 building permits with a total construction valuation exceeding \$75 million. Based on historical assessment ratios, it is estimated that at least 20% (approximately \$15 million) of this valuation will be added to the taxable assessed value for tax year 2026, further supporting future property tax revenues.

Utility Rates and Enterprise Fund Considerations

To ensure adequate funding of operating costs, capital improvements, and debt service requirements, the City implemented a 10% increase in water rates and a 12% increase in sewer rates for FY 2026. These adjustments are designed to maintain enterprise fund financial stability, support system reinvestment, and preserve compliance with bond covenants and minimum coverage requirement.

Capital Investment and Long-Term Planning

The FY 2026 budget includes over \$16 million in capital improvements, funded through debt proceeds, grant funding, and available cash reserves. Capital investments are focused on infrastructure replacement, system capacity improvements, and public facility enhancements necessary to meet current and projected service demands.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

Personnel and Operating Expenditures

To address recruitment and retention challenges and maintain service levels, salaries and benefits were increased by more than \$1.3 million in FY 2026. This includes:

- Over \$580,000 for Fire and Emergency Medical Services personnel
- Over \$490,000 for Police personnel
- Two new positions in Utility Customer Service
- One new position in Utility Billing and Collections

These adjustments reflect market-based compensation considerations, public safety staffing priorities, and operational support needs within the utility functions.

Fund Balance and Budgetary Status

The FY 2026 General Fund budget is structurally balanced. A \$6 million negative variance (excess of appropriations over current-year revenue) is funded through available cash reserves and prior-year budgeted but unexpended funds. Similar balanced budgeting practices were applied to the Water and Sewer Fund, Storm Water Drainage Fund, Capital Projects Fund, Debt Service Fund, and Non-Major Special Revenue Funds. All remaining funds were budgeted with positive variances.

Summary

Overall, the City's financial position remains stable. Conservative revenue forecasting, purposeful rate adjustments, continued capital investment, and strategic personnel investments collectively position the City to maintain service levels while supporting long-term fiscal sustainability.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact Monica D. Harris, Director of Finance, 298 West Washington, Stephenville, Texas 76401-4257 or call (254) 918-1211.

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FINANCIAL STATEMENTS

City of Stephenville, Texas
STATEMENT OF NET POSITION (page 1 of 2)
September 30, 2025

| | Primary Government | | |
|---|----------------------------|-----------------------------|--------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Assets | | | |
| Cash and cash equivalents | \$ 21,080,443 | \$ 9,722,536 | \$ 30,802,979 |
| Investments | 2,508,392 | - | 2,508,392 |
| Restricted cash | 1,686,315 | 7,098,635 | 8,784,950 |
| Receivables, net | 2,569,488 | 2,717,192 | 5,286,680 |
| Prepaid items | 194,418 | 22,961 | 217,379 |
| Internal balances | 2,095,129 | (2,095,129) | - |
| Inventories | 11,175 | 275,460 | 286,635 |
| Current Assets | 30,145,360 | 17,741,655 | 47,887,015 |
| Net pension asset | 3,391,956 | 616,608 | 4,008,564 |
| Capital assets: | | | |
| Non-depreciable | 6,889,544 | 13,404,530 | 20,294,074 |
| Net depreciable capital assets | 34,681,879 | 96,642,658 | 131,324,537 |
| Noncurrent Assets | 44,963,379 | 110,663,796 | 155,627,175 |
| Total Assets | 75,108,739 | 128,405,451 | 203,514,190 |
| Deferred Outflows of Resources | | | |
| Deferred charge on refunding | 8,388 | 909 | 9,297 |
| Deferred pension outflows | 3,198,043 | 581,356 | 3,779,399 |
| Deferred OPEB outflows | 17,267 | 3,139 | 20,406 |
| Total Deferred Outflows of Resources | 3,223,698 | 585,404 | 3,809,102 |

| Component Unit | |
|-----------------------|------------------|
| Stephenville | |
| EDA | |
| \$ | 598,455 |
| | - |
| | - |
| | 154,209 |
| | - |
| | - |
| | - |
| | <u>752,664</u> |
| | 93,947 |
| | 51,580 |
| | 622,172 |
| | <u>767,699</u> |
| | <u>1,520,363</u> |
| | - |
| | 88,577 |
| | 478 |
| | <u>89,055</u> |

City of Stephenville, Texas
STATEMENT OF NET POSITION (page 2 of 2)
September 30, 2025

| | Primary Government | | |
|---|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| <u>Liabilities</u> | | | |
| Accounts payable and accrued liabilities | \$ 1,831,493 | \$ 1,751,246 | \$ 3,582,739 |
| Customer deposits | - | 467,119 | 467,119 |
| Accrued interest payable | 76,033 | 153,357 | 229,390 |
| Compensated absences, current | 912,123 | 131,178 | 1,043,301 |
| Long-term debt due within one year | 1,667,834 | 2,650,838 | 4,318,672 |
| Unearned revenue | - | 6,400 | 6,400 |
| Current Liabilities | 4,487,483 | 5,160,138 | 9,647,621 |
| Noncurrent liabilities due in more than one year: | | | |
| OPEB liability | 461,639 | 83,919 | 545,558 |
| Compensated absences, noncurrent | 559,043 | 80,399 | 639,442 |
| Landfill closure costs | - | 298,049 | 298,049 |
| Debt due in more than one year | 15,536,912 | 33,209,529 | 48,746,441 |
| | 16,557,594 | 33,671,896 | 50,229,490 |
| Total Liabilities | 21,045,077 | 38,832,034 | 59,877,111 |
| <u>Deferred Inflows of Resources</u> | | | |
| Deferred pension inflows | 3,065,228 | 557,213 | 3,622,441 |
| Deferred OPEB inflows | 85,415 | 15,527 | 100,942 |
| Deferred revenue - leases | - | 1,522,154 | 1,522,154 |
| Deferred gain on refunding | - | 63,353 | 63,353 |
| Total Deferred Inflows of Resources | 3,150,643 | 2,158,247 | 5,308,890 |
| <u>Net Position</u> | | | |
| Net investment in capital assets | 25,369,989 | 78,300,779 | 103,670,768 |
| Restricted for: | | | |
| Capital projects | 3,459,083 | - | 3,459,083 |
| Tourism | 2,383,015 | - | 2,383,015 |
| Pensions | 3,391,956 | 616,608 | 4,008,564 |
| Municipal court | 64,267 | - | 64,267 |
| Public safety | 214,308 | - | 214,308 |
| Debt service | 276,426 | 2,174,627 | 2,451,053 |
| Economic development | - | - | - |
| Unrestricted | 18,977,673 | 6,908,560 | 25,886,233 |
| Total Net Position | \$ 54,136,717 | \$ 88,000,574 | \$ 142,137,291 |

See Notes to Financial Statements.

| <u>Component Unit</u> | |
|-----------------------|-------------------------|
| <u>Stephenville</u> | |
| <u>EDA</u> | |
| \$ | 47,843 |
| | - |
| | - |
| | 38,816 |
| | - |
| | - |
| | <u>86,659</u> |
| | 12,786 |
| | 23,791 |
| | - |
| | - |
| | <u>36,577</u> |
| | <u>123,236</u> |
| | 84,898 |
| | 2,365 |
| | - |
| | - |
| | <u>87,263</u> |
| | 622,172 |
| | - |
| | - |
| | - |
| | - |
| | - |
| | - |
| | 776,747 |
| | - |
| \$ | <u><u>1,398,919</u></u> |

City of Stephenville, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

| Functions/Programs | Expenses | Program Revenues | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental Activities | | | | |
| General government | \$ 4,316,545 | \$ 3,300 | \$ 260,760 | \$ - |
| Culture and recreation | 3,274,369 | 687,463 | 8,883 | - |
| Community development | 620,249 | 897,311 | - | - |
| Public safety | 12,373,681 | 1,038,766 | 419,715 | 20,000 |
| Streets | 1,642,824 | 29,614 | - | 214,421 |
| Interest on long-term debt | 544,480 | - | - | - |
| Total Governmental Activities | <u>22,772,148</u> | <u>2,656,454</u> | <u>689,358</u> | <u>234,421</u> |
| Business-Type Activities | | | | |
| Water and Wastewater | 8,211,353 | 12,169,034 | - | 187,763 |
| Storm Water Drainage | 496,571 | 1,455,452 | - | - |
| Sanitary Landfill | 960,164 | 2,003,209 | - | - |
| Airport (nonmajor) | 382,092 | 139,158 | 94,695 | 348,541 |
| Total Business-Type Activities | <u>10,050,180</u> | <u>15,766,853</u> | <u>94,695</u> | <u>536,304</u> |
| Total Primary Government | <u>\$ 32,822,328</u> | <u>\$ 18,423,307</u> | <u>\$ 784,053</u> | <u>\$ 770,725</u> |
| Component Unit | | | | |
| Stephenville Economic Development Authority | \$ 700,919 | \$ - | \$ 5,000 | \$ - |
| Total Component Unit | <u>\$ 700,919</u> | <u>\$ -</u> | <u>\$ 5,000</u> | <u>\$ -</u> |

General Revenues:

Taxes

Property tax

Sales tax

Franchise and other taxes

Hotel occupancy taxes

Investment income

Intergovernmental

Other revenues

Capital assets transferred within primary govt.

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position, as previously presented

New Acct. Standard - GASB 101

Error corrections

Beginning Net Position, as adjusted

Ending Net Position

Net (Expense) Revenue and Changes in Net Position

| Primary Government | | | Component Unit |
|--------------------------------|---------------------------------|-----------------------|-------------------------|
| Governmental Activities | Business-Type Activities | Total | Stephenville EDA |
| \$ (4,052,485) | \$ - | \$ (4,052,485) | \$ - |
| (2,578,023) | - | (2,578,023) | - |
| 277,062 | - | 277,062 | - |
| (10,895,200) | - | (10,895,200) | - |
| (1,398,789) | - | (1,398,789) | - |
| (544,480) | - | (544,480) | - |
| <u>(19,191,915)</u> | <u>-</u> | <u>(19,191,915)</u> | <u>-</u> |
| - | 4,145,444 | 4,145,444 | - |
| - | 958,881 | 958,881 | - |
| - | 1,043,045 | 1,043,045 | - |
| - | 200,302 | 200,302 | - |
| <u>-</u> | <u>6,347,672</u> | <u>6,347,672</u> | <u>-</u> |
| <u>(19,191,915)</u> | <u>6,347,672</u> | <u>(12,844,243)</u> | <u>-</u> |
| | | | (695,919) |
| | | | <u>(695,919)</u> |
| 7,937,019 | - | 7,937,019 | - |
| 9,243,880 | - | 9,243,880 | 786,761 |
| 1,361,128 | - | 1,361,128 | - |
| 1,076,134 | - | 1,076,134 | - |
| 1,148,195 | 722,243 | 1,870,438 | 23,353 |
| 362,782 | 501,624 | 864,406 | - |
| (6,601,867) | 6,601,867 | - | - |
| 2,381,562 | (2,381,562) | - | - |
| <u>16,908,833</u> | <u>5,444,172</u> | <u>22,353,005</u> | <u>810,114</u> |
| (2,283,082) | 11,791,844 | 9,508,762 | 114,195 |
| 57,274,550 | 76,315,276 | 133,589,826 | 1,333,286 |
| (881,455) | (106,546) | (988,001) | (48,562) |
| 26,704 | - | 26,704 | - |
| 56,419,799 | 76,208,730 | 132,628,529 | 1,284,724 |
| <u>\$ 54,136,717</u> | <u>\$ 88,000,574</u> | <u>\$ 142,137,291</u> | <u>\$ 1,398,919</u> |

City of Stephenville, Texas

BALANCE SHEET (Page 1 of 2)

GOVERNMENTAL FUNDS

September 30, 2025

| | General | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|---------------------|-----------------------------------|--------------------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 14,669,246 | \$ 3,634,634 | \$ 2,776,563 | \$ 21,080,443 |
| Investments | 2,508,392 | - | - | 2,508,392 |
| Restricted cash | 559,902 | 923,786 | 202,627 | 1,686,315 |
| Receivables, net | 2,305,362 | - | 264,126 | 2,569,488 |
| Due from other funds | 2,294,380 | - | - | 2,294,380 |
| Inventory | 11,175 | - | - | 11,175 |
| Prepaid items | 166,473 | 27,449 | 496 | 194,418 |
| Total Assets | \$ 22,514,930 | \$ 4,585,869 | \$ 3,243,812 | \$ 30,344,611 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | \$ 1,782,365 | \$ 29,773 | \$ 19,355 | \$ 1,831,493 |
| Due to other funds | - | 74,640 | 124,611 | 199,251 |
| Total Liabilities | 1,782,365 | 104,413 | 143,966 | 2,030,744 |
| <u>Deferred Inflows of Resources</u> | | | | |
| Unavailable revenue - Fines and fees | 88,553 | - | - | 88,553 |
| Unavailable revenue - EMS | 53,907 | - | - | 53,907 |
| Unavailable revenue - property taxes | 100,572 | - | 3,825 | 104,397 |
| Total Deferred Inflows of Resources | 243,032 | - | 3,825 | 246,857 |

City of Stephenville, Texas

BALANCE SHEET (Page 2 of 2)

GOVERNMENTAL FUNDS

September 30, 2025

| | General | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------|---------------------|-----------------------------------|--------------------------------|
| <u>Fund Balances</u> | | | | |
| Nonspendable: | | | | |
| Inventories | \$ 11,175 | \$ - | \$ - | \$ 11,175 |
| Prepaid items | 166,473 | 27,449 | 496 | 194,418 |
| Assigned to: | | | | |
| Debt service | 602,659 | - | - | 602,659 |
| Fire pumper truck | 400,000 | - | - | 400,000 |
| Airport improvement | 500,000 | - | - | 500,000 |
| Grant match | 150,000 | - | - | 150,000 |
| Restricted for: | | | | |
| Capital projects | - | 4,454,007 | - | 4,454,007 |
| Community reinvestment | - | - | 158,594 | 158,594 |
| Tourism | - | - | 2,383,015 | 2,383,015 |
| Municipal court | - | - | 64,267 | 64,267 |
| Public safety | - | - | 214,308 | 214,308 |
| Debt service | - | - | 275,341 | 275,341 |
| Unassigned reported in: | | | | |
| General fund | 18,659,226 | - | - | 18,659,226 |
| Total Fund Balances | 20,489,533 | 4,481,456 | 3,096,021 | 28,067,010 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$ 22,514,930 | \$ 4,585,869 | \$ 3,243,812 | \$ 30,344,611 |

See Notes to Financial Statements.

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City of Stephenville, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2025

| | |
|--|---------------|
| Fund Balances - Total Governmental Funds | \$ 28,067,010 |
| Adjustments for the Statement of Net Position: | |
| Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds. | |
| Capital assets - non-depreciable | 6,889,544 |
| Capital assets - net depreciable | 34,681,879 |
| The net pension asset is not an available resource and, therefore, is not reported in the funds. | |
| | 3,391,956 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. | |
| Fines and fees receivable | 88,553 |
| Property tax receivable | 104,397 |
| EMS receivable | 53,907 |
| Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then. | |
| Deferred charges on refunding | 8,388 |
| Deferred pension outflows | 3,198,043 |
| Deferred OPEB outflows | 17,267 |
| Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. | |
| Deferred pension inflows | (3,065,228) |
| Deferred OPEB inflows | (85,415) |
| Some liabilities, including bonds payable and compensated absences, are not reported as liabilities in the governmental funds. | |
| OPEB liability | (461,639) |
| Compensated absences | (1,471,166) |
| Accrued interest | (76,033) |
| Bond premium | (530,897) |
| Bond discount | 860 |
| Non-current liabilities due in one year | (1,667,834) |
| Non-current liabilities due in more than one year | (15,006,875) |
| Net Position of Governmental Activities | \$ 54,136,717 |

See Notes to Financial Statements.

City of Stephenville, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS (Page 1 of 2) For the Year Ended September 30, 2025

| | General | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------|---------------------|-----------------------------------|--------------------------------|
| Revenues | | | | |
| Property tax | \$ 7,450,864 | \$ - | \$ 428,312 | \$ 7,879,176 |
| Sales tax | 8,547,744 | - | 696,136 | 9,243,880 |
| Franchise and other taxes | 1,361,128 | - | - | 1,361,128 |
| Hotel occupancy taxes | - | - | 1,076,134 | 1,076,134 |
| License and permits | 896,681 | 630 | - | 897,311 |
| Charges for services | 725,780 | - | - | 725,780 |
| Emergency services | 716,745 | - | - | 716,745 |
| Fines and forfeitures | 226,864 | - | 107,976 | 334,840 |
| Intergovernmental | 229,559 | - | 8,804 | 238,363 |
| Contributions and donations | 491,431 | - | - | 491,431 |
| Investment income | 776,671 | 256,803 | 114,721 | 1,148,195 |
| Other revenues | 136,496 | - | 37,244 | 173,740 |
| Total Revenues | 21,559,963 | 257,433 | 2,469,327 | 24,286,723 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 3,479,569 | - | 550,890 | 4,030,459 |
| Culture and recreation | 2,730,557 | - | - | 2,730,557 |
| Community development | 614,377 | - | - | 614,377 |
| Public safety | 11,701,138 | - | 14,008 | 11,715,146 |
| Streets | 744,124 | - | - | 744,124 |
| Debt service: | | | | |
| Principal retirement | 864,231 | - | 820,000 | 1,684,231 |
| Interest and fiscal charges | 129,933 | 114,585 | 413,281 | 657,799 |
| Capital outlay: | | | | |
| General government | 208,946 | - | - | 208,946 |
| Culture and recreation | 1,216,532 | - | 37,938 | 1,254,470 |
| Public safety | 242,987 | - | - | 242,987 |
| Streets | 156,051 | 882,077 | - | 1,038,128 |
| Total Expenditures | 22,088,445 | 996,662 | 1,836,117 | 24,921,224 |
| Excess of Revenues Over (Under) | | | | |
| Expenditures | (528,482) | (739,229) | 633,210 | (634,501) |

City of Stephenville, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended September 30, 2025

| | General | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------|-----------------------------------|--------------------------------|
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers in | \$ 2,460,696 | \$ 342,946 | \$ 823,050 | \$ 3,626,692 |
| Transfers (out) | (422,080) | - | (823,050) | (1,245,130) |
| SBITA issuance | 110,167 | - | - | 110,167 |
| Sale of assets | 1,488,596 | - | - | 1,488,596 |
| Total Other Financing Sources | 3,637,379 | 342,946 | - | 3,980,325 |
| Net Change in Fund Balances | 3,108,897 | (396,283) | 633,210 | 3,345,824 |
| Beg. fund balances, previously presented | 17,380,636 | 4,877,739 | 2,462,811 | 24,721,186 |
| Ending Fund Balances | \$ 20,489,533 | 4,481,456 | \$ 3,096,021 | \$ 28,067,010 |

See Notes to Financial Statements.

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City of Stephenville, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

| | | |
|---|----|-----------|
| Net changes in fund balances - total governmental funds | \$ | 3,345,824 |
|---|----|-----------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | | |
|---|--|-------------|
| Capital outlay | | 2,745,392 |
| Capital contributions from developers | | 193,986 |
| Capital asset transferred to business-type activities | | (6,666,411) |
| Capital asset transferred from business-type activities | | 64,544 |
| Depreciation expense | | (2,612,038) |
| Adjustment for disposal of capital assets | | (1,306,154) |

| | | |
|--|--|--------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 39,620 |
|--|--|--------|

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | | |
|---|--|---------|
| Pension expense | | 199,666 |
| Compensated absences | | 12,051 |
| Other post employment benefits | | 6,455 |
| Accrued interest | | 11,979 |
| Amortization of deferred charges on refunding | | (1,119) |
| Amortization of bond premium and discounts | | 102,459 |

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities.

This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | | |
|----------------------|--|-----------|
| Principal payments | | 1,690,831 |
| SBITA lease issuance | | (110,167) |

| | | |
|--|----|-------------|
| | \$ | (2,283,082) |
|--|----|-------------|

See Notes to Financial Statements.

City of Stephenville, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
PROPRIETARY FUNDS
September 30, 2025

| | <u>Water and Wastewater</u> | <u>Storm Water Drainage</u> | <u>Sanitary Landfill</u> |
|--|---------------------------------|---------------------------------|------------------------------|
| <u>Assets</u> | | | |
| <u>Current Assets</u> | | | |
| Cash and cash equivalents | \$ 4,218,949 | \$ 921,069 | \$ 3,714,350 |
| Restricted cash - capital improvements | 4,924,008 | - | - |
| Restricted cash - debt service | 1,556,743 | 429,716 | 188,168 |
| Receivables, net | 2,072,269 | 172,350 | 116,121 |
| Prepaid items | 18,588 | - | - |
| Inventories | 275,460 | - | - |
| Total Current Assets | 13,066,017 | 1,523,135 | 4,018,639 |
| <u>Noncurrent Assets</u> | | | |
| Net pension asset | 512,814 | - | 84,512 |
| Capital assets: | | | |
| Non-depreciable | 8,183,717 | 193,970 | 40,000 |
| Net depreciable capital assets | 77,608,705 | 14,391,656 | 1,520,962 |
| Total Noncurrent Assets | 86,305,236 | 14,585,626 | 1,645,474 |
| Total Assets | 99,371,253 | 16,108,761 | 5,664,113 |
| <u>Deferred Outflows of Resources</u> | | | |
| Deferred charge on refunding | 909 | - | - |
| Pension outflows | 483,497 | - | 79,680 |
| OPEB outflows | 2,611 | - | 430 |
| Total Deferred Outflows of Resources | 487,017 | - | 80,110 |

| <u>Nonmajor</u> | | |
|------------------|----|--------------------|
| <u>Airport</u> | | <u>Total</u> |
| \$ 868,168 | \$ | 9,722,536 |
| - | | 4,924,008 |
| - | | 2,174,627 |
| 356,452 | | 2,717,192 |
| 4,373 | | 22,961 |
| - | | 275,460 |
| <u>1,228,993</u> | | <u>19,836,784</u> |
| 19,282 | | 616,608 |
| 4,986,843 | | 13,404,530 |
| <u>3,121,335</u> | | <u>96,642,658</u> |
| <u>8,127,460</u> | | <u>110,663,796</u> |
| <u>9,356,453</u> | | <u>130,500,580</u> |
| - | | 909 |
| 18,179 | | 581,356 |
| 98 | | 3,139 |
| <u>18,277</u> | | <u>585,404</u> |

City of Stephenville, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
PROPRIETARY FUNDS
September 30, 2025

| | <u>Water and Wastewater</u> | <u>Storm Water Drainage</u> | <u>Sanitary Landfill</u> |
|--|---------------------------------|---------------------------------|------------------------------|
| <u>Liabilities</u> | | | |
| <u>Current Liabilities</u> | | | |
| Accounts payable and accrued expenses | \$ 1,650,351 | \$ 12,587 | \$ 24,864 |
| Customer deposits | 461,319 | - | 5,800 |
| Compensated absences, current | 111,314 | - | 15,567 |
| Current maturities of long-term liabilities | 2,135,000 | 355,000 | 160,838 |
| Due to other funds | 2,054,332 | - | 40,797 |
| Unearned revenue | - | - | - |
| Accrued interest | 106,174 | 17,284 | 29,899 |
| Total Current Liabilities | <u>6,518,490</u> | <u>384,871</u> | <u>277,765</u> |
| <u>Noncurrent Liabilities</u> | | | |
| OPEB liability - TMRS | 69,793 | - | 11,502 |
| Compensated absences, noncurrent | 68,225 | - | 9,541 |
| Landfill closure costs | - | - | 298,049 |
| Long-term liabilities | 29,537,459 | 3,138,127 | 533,943 |
| Total Liabilities | <u>36,193,967</u> | <u>3,522,998</u> | <u>1,130,800</u> |
| <u>Deferred Inflows of Resources</u> | | | |
| Deferred pension inflows | 463,418 | - | 76,371 |
| Deferred OPEB inflows | 12,914 | - | 2,128 |
| Deferred revenue - leases | 1,522,154 | - | - |
| Deferred gain on refunding | - | 63,353 | - |
| Total Deferred Inflows of Resources | <u>1,998,486</u> | <u>63,353</u> | <u>78,499</u> |
| <u>Net Position</u> | | | |
| Net investment in capital assets | 58,363,500 | 11,029,104 | 856,682 |
| Restricted for: | | | |
| Pensions | 512,814 | - | 84,512 |
| Debt service | 1,556,743 | 429,716 | 188,168 |
| Unrestricted | 1,232,760 | 1,063,590 | 3,405,562 |
| Total Net Position | <u>\$ 61,665,817</u> | <u>\$ 12,522,410</u> | <u>\$ 4,534,924</u> |

See Notes to Financial Statements.

| <u>Nonmajor</u> | | | |
|-----------------|------------------|--------------|-------------------|
| <u>Airport</u> | | <u>Total</u> | |
| \$ | 63,444 | \$ | 1,751,246 |
| | - | | 467,119 |
| | 4,297 | | 131,178 |
| | - | | 2,650,838 |
| | - | | 2,095,129 |
| | 6,400 | | 6,400 |
| | - | | 153,357 |
| | <u>74,141</u> | | <u>7,255,267</u> |
| | 2,624 | | 83,919 |
| | 2,633 | | 80,399 |
| | - | | 298,049 |
| | - | | 33,209,529 |
| | <u>79,398</u> | | <u>40,927,163</u> |
| | 17,424 | | 557,213 |
| | 485 | | 15,527 |
| | - | | 1,522,154 |
| | - | | 63,353 |
| | <u>17,909</u> | | <u>2,158,247</u> |
| | 8,051,493 | | 78,300,779 |
| | 19,282 | | 616,608 |
| | - | | 2,174,627 |
| | 1,206,648 | | 6,908,560 |
| \$ | <u>9,277,423</u> | \$ | <u>88,000,574</u> |

City of Stephenville, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended September 30, 2025

| | Water and Wastewater | Storm Water Drainage | Sanitary Landfill |
|---|-------------------------|-------------------------|----------------------|
| <u>Operating Revenues</u> | | | |
| Water revenue | \$ 6,107,703 | \$ - | \$ - |
| Sewer revenue | 6,061,331 | - | - |
| Airport services | - | - | - |
| Storm drainage | - | 1,455,452 | - |
| Sanitation landfill | - | - | 2,003,209 |
| Other income | 102,264 | 86,985 | 312,097 |
| Total Operating Revenues | 12,271,298 | 1,542,437 | 2,315,306 |
| <u>Operating Expenses</u> | | | |
| Personnel services | - | - | 324,664 |
| Contractual services | - | - | 103,397 |
| Materials and supplies | - | - | 276,184 |
| Utilities administration and customer service | 1,315,145 | - | - |
| Water and production and distribution | 1,647,161 | - | - |
| Wastewater collection and treatment | 1,635,588 | - | - |
| Billing and collection | 1,203,503 | - | - |
| Stormwater | - | 50,212 | - |
| Airport operations | - | - | - |
| Depreciation | 1,696,595 | 356,996 | 217,696 |
| Total Operating Expenses | 7,497,992 | 407,208 | 921,941 |
| Operating Income (Loss) | 4,773,306 | 1,135,229 | 1,393,365 |
| <u>Nonoperating Revenues (Expenses)</u> | | | |
| Investment income | 524,860 | 54,316 | 143,067 |
| Interest expense | (713,361) | (89,363) | (37,056) |
| Loss on disposal of capital assets | - | - | (1,167) |
| Intergovernmental | - | - | - |
| Total Nonoperating Revenues (Expenses) | (188,501) | (35,047) | 104,844 |
| Income (Loss) Before Contributions and Transfers | 4,584,805 | 1,100,182 | 1,498,209 |
| <u>Contributions and Transfers</u> | | | |
| Capital grants and contributions | 187,763 | - | - |
| Capital assets transferred from govt. activities | 1,884,831 | 4,717,036 | - |
| Transfers in | 108,443 | - | - |
| Transfers (out) | (2,138,190) | (337,787) | (93,162) |
| Change in Net Position | 4,627,652 | 5,479,431 | 1,405,047 |
| Beginning net position, as previously presented | 57,129,341 | 7,042,979 | - |
| New Acct. Standard - GASB 101 | (91,176) | - | (12,367) |
| Change in major funds | - | - | 3,142,244 |
| Beginning net position, as adjusted | 57,038,165 | 7,042,979 | 3,129,877 |
| Ending Net Position | \$ 61,665,817 | \$ 12,522,410 | \$ 4,534,924 |

See Notes to Financial Statements.

| <u>Nonmajor</u> | |
|-----------------|---------------|
| <u>Airport</u> | <u>Total</u> |
| \$ - | \$ 6,107,703 |
| - | 6,061,331 |
| 139,158 | 139,158 |
| - | 1,455,452 |
| - | 2,003,209 |
| 278 | 501,624 |
| 139,436 | 16,268,477 |
| 78,467 | 403,131 |
| - | 103,397 |
| - | 276,184 |
| - | 1,315,145 |
| - | 1,647,161 |
| - | 1,635,588 |
| - | 1,203,503 |
| - | 50,212 |
| 182,738 | 182,738 |
| 120,887 | 2,392,174 |
| 382,092 | 9,209,233 |
| (242,656) | 7,059,244 |
| - | 722,243 |
| - | (839,780) |
| - | (1,167) |
| 94,695 | 94,695 |
| 94,695 | (24,009) |
| (147,961) | 7,035,235 |
| 348,541 | 536,304 |
| - | 6,601,867 |
| 79,134 | 187,577 |
| - | (2,569,139) |
| 279,714 | 11,791,844 |
| 12,142,956 | 76,315,276 |
| (3,003) | (106,546) |
| (3,142,244) | - |
| 8,997,709 | 76,208,730 |
| \$ 9,277,423 | \$ 88,000,574 |

City of Stephenville, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2025

| | Water and Wastewater | Storm Water Drainage | Sanitary Landfill |
|---|-------------------------|-------------------------|----------------------|
| <u>Cash Flows from Operating Activities</u> | | | |
| Receipts from customers | \$ 11,950,237 | \$ 1,479,125 | \$ 2,267,256 |
| Receipts (payments) from interfund transactions | - | - | 40,797 |
| Payments to suppliers and contractors | (4,827,717) | (46,701) | (409,287) |
| Payments to employees for salaries and benefits | (1,409,451) | - | (335,935) |
| Net Cash Provided (Used) by Operating Activities | 5,713,069 | 1,432,424 | 1,562,831 |
| <u>Cash Flows from Noncapital Financing Activities</u> | | | |
| Transfers in | 108,443 | - | - |
| Transfers (out) | (2,138,190) | (337,787) | (93,162) |
| Operating grants | - | - | - |
| Net Cash Provided (Used) by Noncapital Financing Activities | (2,029,747) | (337,787) | (93,162) |
| <u>Cash Flows from Capital and Related Financing Activities</u> | | | |
| Purchases of capital assets | (4,775,122) | (546,241) | (233,368) |
| Capital grants | 187,763 | - | - |
| Principal paid on capital debt | (2,085,000) | (340,000) | (152,961) |
| Change in landfill closure costs | - | - | (311,993) |
| Bond issuance costs paid | - | (8,447) | - |
| Interest paid on capital debt | (868,870) | (136,180) | (43,659) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (7,541,229) | (1,030,868) | (741,981) |
| <u>Cash Flows from Investing Activities</u> | | | |
| Interest on investments | 524,860 | 54,316 | 143,067 |
| Net Cash Provided by Investing Activities | 524,860 | 54,316 | 143,067 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (3,333,047) | 118,085 | 870,755 |
| Beginning cash and cash equivalents | 14,032,747 | 1,232,700 | 3,031,763 |
| Ending Cash and Cash Equivalents | \$ 10,699,700 | \$ 1,350,785 | \$ 3,902,518 |

See Notes to Financial Statements.

| <u>Nonmajor</u> | |
|-------------------|----------------------|
| <u>Airport</u> | <u>Total</u> |
| \$ 1,010,610 | \$ 16,707,228 |
| (73,844) | (33,047) |
| (124,431) | (5,408,136) |
| (76,823) | (1,822,209) |
| <u>735,512</u> | <u>9,443,836</u> |
| 79,134 | 187,577 |
| - | (2,569,139) |
| 94,695 | 94,695 |
| <u>173,829</u> | <u>(2,286,867)</u> |
| (389,714) | (5,944,445) |
| 348,541 | 536,304 |
| - | (2,577,961) |
| - | (311,993) |
| - | (8,447) |
| - | (1,048,709) |
| <u>(41,173)</u> | <u>(9,355,251)</u> |
| - | 722,243 |
| - | 722,243 |
| 868,168 | (1,476,039) |
| - | 18,297,210 |
| <u>\$ 868,168</u> | <u>\$ 16,821,171</u> |

City of Stephenville, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2025

| | Water and Wastewater | Storm Water Drainage | Sanitary Landfill |
|---|-------------------------|-------------------------|----------------------|
| <u>Reconciliation of Operating Income (Loss)</u> | | | |
| <u>to Net Cash Provided (Used) by Operating Activities</u> | | | |
| Operating Income (Loss) | \$ 4,773,306 | \$ 1,135,229 | \$ 1,393,365 |
| Adjustments to reconcile operating income to net cash provided (used): | | | |
| Depreciation | 1,696,595 | 356,996 | 217,696 |
| Changes in Operating Assets and Liabilities: | | | |
| (Increase) Decrease in: | | | |
| Accounts receivable | (332,939) | (63,312) | (48,650) |
| Inventory | (28,906) | - | - |
| Prepaid items | 2,108 | - | - |
| Deferred Outflows of Resources: | | | |
| Deferred pension charges | 110,902 | - | 18,581 |
| OPEB charges | (992) | - | (162) |
| Increase (Decrease) in: | | | |
| Accounts payable and accrued expenses | (2,074,679) | 3,511 | (29,706) |
| Customer deposits | 11,878 | - | 600 |
| Compensated absences | (7,515) | - | 2,844 |
| Due to (from) other funds | 1,800,608 | - | 40,797 |
| Net pension liability (asset) | (306,384) | - | (50,386) |
| OPEB liability | 8,638 | - | 1,392 |
| Deferred Inflows of Resources: | | | |
| Grant related | (40,596) | - | - |
| Pension inflows | 98,972 | - | 16,124 |
| OPEB inflows | 2,073 | - | 336 |
| Net Cash Provided (Used) by Operating Activities | \$ 5,713,069 | \$ 1,432,424 | \$ 1,562,831 |

Schedule of Non-Cash Capital and Related

Financing Activities

| | | | |
|---|--------------|--------------|------|
| Capital assets transferred from govt. activities, net | \$ 1,884,831 | \$ 4,717,036 | \$ - |
|---|--------------|--------------|------|

See Notes to Financial Statements.

| <u>Nonmajor</u> <u>Airport</u> | <u>Total</u> |
|-----------------------------------|---------------------|
| \$ (242,656) | \$ 7,059,244 |
| 120,887 | 2,392,174 |
| 871,174 | 426,273 |
| - | (28,906) |
| - | 2,108 |
| 7,594 | 137,077 |
| (28) | (1,182) |
| 58,307 | (2,042,567) |
| - | 12,478 |
| 2,801 | (1,870) |
| (73,844) | 1,767,561 |
| (10,331) | (367,101) |
| (28) | 10,002 |
| - | (40,596) |
| 1,621 | 116,717 |
| 15 | 2,424 |
| <u>\$ 735,512</u> | <u>\$ 9,443,836</u> |

\$ - \$ 6,601,867

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City of Stephenville, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The City of Stephenville, Texas (the "City"), was incorporated in 1889, and operates as a home rule City. The City operates under a council-manager form of government and provides the following services as authorized by its charter: general government, public safety (police, fire, and EMS), highway and streets, culture and recreation, community development (planning and zoning, licensing, permitting, and inspection), water and wastewater system, storm water drainage, airport, and sanitary landfill.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Stephenville Economic Development Authority (the "SEDA") although legally separate, is considered part of the reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely Presented Component Unit

Stephenville Economic Development Authority

The SEDA is governed by a board of seven members, all of whom are appointed by the City Council of the City of Stephenville, Texas and whom can be removed from office by the City Council at its will. SEDA has potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. SEDA was incorporated in the state of Texas in 2015. The nature and significance of the relationship between the primary government and SEDA is such that exclusion would cause the City's financial statements to be misleading and incomplete.

Separate financial statements for SEDA as of and for the fiscal year ended September 30, 2025 are not prepared.

Blended Component Unit

Tax Increment Financing Fund

The Tax Increment Financing fund was created to encourage and accelerate planned development within the City limits. The fund accounts for all tax and expenditure activity associated with the fund's primary purpose. The tax increment is derived from an allocation of sales taxes and property taxes. The amount of sales taxes for the fund, is based on the difference in sales tax collections within the reinvestment zone during the year it was established (base year) and the current year. The amount of property taxes for the fund, is based on the the difference in appraised value between the year in which the reinvestment zone is established (base year) and each year the reinvestment zone is in existence. The Board is comprised of eight City Council Members, the Mayor, and two members appointed by the Stephenville Economic Development Authority. The TIF Board is substantially the same as City Council and the fund functions similar to a department of the City. As such, the TIF Fund is reported as a blended component unit/special revenue fund. Separate audited financial statements are not available.

C. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

As discussed earlier, the government has one discretely presented component unit and is shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, emergency services, and charges for services. Expenditures include general government, public safety, streets, culture and recreation, and community development.

Capital Projects Fund

This fund was established to account for resources to be used for the acquisition or construction of general major capital facilities. Financing is provided primarily from bond proceeds and transfers from the general fund.

The government reports the following major enterprise funds:

Water and Wastewater Fund

The water and wastewater fund accounts for the operation of the water distribution system and the wastewater treatment plants, wastewater pumping stations, and collection systems.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Storm Water Drainage Fund

The storm water drainage fund is used to account for the activities necessary for the provisions of storm water drainage services.

Additionally, the government reports the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes (not including expendable trusts or major capital projects) in a special revenue fund. These funds consist of the hotel/motel tax, child safety, public safety, municipal court technology, and TIF funds.

Debt Service Fund

The City's debt service fund accounts for the accumulation of resources to service the City's governmental long-term debt.

Airport Fund

The Airport fund accounts for municipal airport services and to support air transportation and charter services. This fund is presented as a nonmajor proprietary fund.

Sanitary Landfill Fund

This fund is used to account for solid waste collection and disposal services provided to the residents of the City. This fund is presented as a major proprietary fund.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Custodial funds use the economic resources measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities. The City of Stephenville does not have any pension and other postemployment benefit trust, private-purpose trust or custodial funds.

E. Assets, Liabilities, Deferred Outflows / Inflows, and Fund Equity or Net Position

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price. The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables"

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

(i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds” in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as “due to/from component unit/primary government.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The enterprise fund inventories are valued at the lower of average cost or market. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and capital items received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

| Asset Description | Estimated Useful Life |
|----------------------------------|------------------------------|
| Airport improvements | 40 years |
| Waterworks and sanitation system | 33 1/3 years |
| Infrastructure | 20 years |
| Buildings and improvements | 20 - 40 years |

6. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumptions used within the pension actuarial valuation model.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, fines and fees, and EMS. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumptions used within the pension actuarial valuation model.

7. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

8. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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The government has adopted a policy to maintain a minimum reserve of unassigned fund balance in the general fund at an amount equal to or greater than 25% of budgeted expenditures of that fund.

10. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

11. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

12. Other Postemployment Benefits (“OPEB”)

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn’t meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary, calculated based on the employee’s actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position.

13. Leases

Lessee: The City is a lessee for noncancellable leases. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

14. Subscription based information technology arrangements (“SBITA”)

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements (“SBITA”). When implementing GASB 96, the City records right to use assets and subscription liabilities based on the present value of the payments for the related arrangements. The assets will be included within capital assets, and amortized straight-line over the term of the arrangement. The liabilities will accrue interest at the implied rate estimated by the City, and are relieved with payments over the term of the arrangements.

15. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature which affects the method of property assessment and tax collection in the City. This legislation, with certain exceptions, exempts intangible personal property and household goods. In addition, this legislature creates a "Property Tax Code" and provides, among other things, for the establishment of county-wide appraisal districts and for a State Property Tax Board which commenced operation in January 1980. The appraisal of property within the City is the responsibility of the Erath County Tax Appraisal District. The Appraisal District is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of real property within the Appraisal District must be reviewed at least every four years. The City, at its own expense, may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on property within the City limits. If the adopted tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements and revaluation, exceeds the rate of the previous year by more than three & one-half percent (voter-approval tax rate), an automatic property tax election is required. However, Cities with a population under 30,000, have the option to calculate a de minimis tax rate that would generate \$500,000 in more property tax revenue than that of the previous year. If the approved tax rate is above the voter-approval rate but less than the de minimis rate, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than three and one-half percent above the rate of the previous year.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

3. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation pay benefits up to specified limits. Employees can carry forward unused sick leave benefits. Vacation pay is accrued when incurred in the government-wide, and proprietary fund type statement of net position. Compensated absences are reported in governmental funds only if they have matured for example, as a result of employee's resignation and retirement.

The City accounts for vacation and sick leave in accordance with the provisions of GASB Statement No. 101, Compensated Absences.

Under GASB Statement No. 101, the City recognizes a liability for compensated absences for vacation leave that is attributable to services already rendered and for which the City has a present obligation to provide compensation through paid time off or cash settlement. Vacation leave is reported as a liability regardless of whether it is expected to be paid within one year.

Sick leave is considered a non-separation benefit and is recognized as a liability only to the extent it is probable that the leave will be used for qualifying absences and the amount can be reasonably estimated. Because unused sick leave is not paid upon separation from employment, the City does not record a liability for sick leave beyond amounts expected to be taken as paid absences in the future.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund, storm water drainage, airport, and sanitary landfill funds are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund, special revenue funds, and debt service fund. Budgets are adopted for the proprietary fund annually only as a management tool. Capital projects funds do not present a budget comparison since project length financial plans usually extend into two or more fiscal years, thus making comparisons confusing and misleading. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the department level. No funds can be transferred or added which affect the total fund expenditures without City Council approval. Appropriations lapse at the end of the year, unless legally encumbered. Several supplemental budget appropriations were made during the year.

A. Expenditures Exceeding Appropriations

During the year ended September 30, 2025, current year expenditures exceeded appropriations at the legal level of control as follows:

General fund:

| | |
|------------------------|-----------|
| Information technology | \$ 20,328 |
| Senior citizens | 4,386 |
| Municipal court | 13,431 |
| Fire department | 232,202 |
| Principal | 188,254 |
| Interest | 26,761 |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

B. Restricted Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted by the City:

| | Restricted |
|------------------------|---------------------|
| Tourism | \$ 2,383,015 * |
| Municipal court | 64,267 * |
| Public safety | 214,308 * |
| Debt service | 275,341 |
| Capital projects | 4,454,007 |
| Community reinvestment | 158,594 |
| Total | \$ 7,549,532 |

* Restricted by enabling legislation

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2025, the primary government had the following investments:

| Investment Type | Value | Weighted Average Maturity (Years) |
|-------------------------------------|---------------|--|
| Certificates of deposits | \$ 2,508,392 | 0.53 |
| External investment pools: | | |
| TexSTAR | 15,214,581 | 0.14 |
| TexPool | 22,042,683 | 0.12 |
| Total value | \$ 39,765,656 | |
| Portfolio weighted average maturity | | 0.06 |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

As of September 30, 2025, the SEDA, a discretely presented component unit, had the following investments:

| <u>Investment Type</u> | <u>Value</u> | <u>Weighted Average Maturity (Years)</u> |
|-------------------------------------|-------------------|--|
| External investment pools | \$ 545,628 | 0.12 |
| Total value | <u>\$ 545,628</u> | |
| Portfolio weighted average maturity | | 0.12 |

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed one year; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk: The City’s investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than “A” or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2025, the City’s investment in investment pools were rated AAAM by Standard & Poor’s.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of at least 102% of the principal amount of the deposits. As of September 30, 2025, the market values of pledged securities and FDIC exceeded bank balances and State requirements.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City’s safekeeping account prior to the release of funds.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals. As of September 30, 2025, TexPool has a Standard & Poor's rating of AAAM and a weighted average maturity of 41 days.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals. As of September 30, 2025, TexStar has a Standard & Poor's rating of AAAM and a weighted average maturity of 49 days.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

B. Receivables

1. The following comprise receivable balances of the primary government at year end:

| | Governmental Funds | | |
|------------------------------|---------------------------|---------------------|--------------|
| | Nonmajor | | Total |
| | General | Governmental | |
| Property taxes | \$ 170,866 | \$ 7,775 | \$ 178,641 |
| Sales and mixed beverage tax | 1,657,070 | 95,054 | 1,752,124 |
| Franchise tax | 13,050 | - | 13,050 |
| Hotel/motel taxes | - | 164,441 | 164,441 |
| Court | 495,873 | - | 495,873 |
| Ambulance billing | 1,343,435 | - | 1,343,435 |
| Other | 259,849 | 94 | 259,943 |
| Allowance | (1,634,781) | (3,238) | (1,638,019) |
| | \$ 2,305,362 | \$ 264,126 | \$ 2,569,488 |

| | Proprietary Funds | | | | |
|-----------|---------------------------------|---------------------------------|----------------|------------------------------|--------------|
| | Water and Wastewater | Storm Water Drainage | Airport | Sanitary Landfill | Total |
| | Accounts | \$ 2,436,791 | \$ 197,507 | \$ 203 | \$ 128,094 |
| Other | 48,870 | - | 356,249 | - | 405,119 |
| Allowance | (413,392) | (25,157) | - | (11,973) | (450,522) |
| | \$ 2,072,269 | \$ 172,350 | \$ 356,452 | \$ 116,121 | \$ 2,717,192 |

The SEDA, a discretely presented component unit, had receivables of \$154,209 as of yearend which consisted primarily of sales tax.

2. Public-Private Partnership

Effective March 27, 2023, the City entered into a public-private partnership (PPP) arrangement with the Cowboy Capital Pro Rodeo Association (CCPRA). Under this arrangement, the City is leasing a parcel of land to CCPRA for an initial term of thirty-five years. Upon mutual agreement of both parties, the term may be renewed for a single five-year renewal term. The agreement requires CCPRA to construct a rodeo arena and complimentary improvements on the leased property, the cost of which would be borne by CCPRA. This construction was completed in August 2023. The arena and all improvements constructed on the leased property are the property of the City. The CCPRA is responsible for operating and maintaining the arena and improvements for the term of the arrangement. CCPRA is required to obtain the City's approval of all events and performances to be held on the leased premises. The arrangement permits CCPRA, subject to consent of the City, to

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

use its interest in the leasehold improvements as collateral for a loan or other financial obligation.

The City has recorded a receivable for the total lease payments due from CCPRA of \$36,035 over the term of the agreement. The receivable was discounted using a rate of 3.104%. As of September 30, 2025, the City reported the following amounts within business-type activities related to this arrangement:

| | | |
|---------------------------|----|------------------|
| Receivables | \$ | 33,549 |
| Land | \$ | 175,000 |
| Buildings & improvements | | 207,112 |
| Machinery & equipment | | 1,188,957 |
| Less: Accum. Depreciation | | <u>(145,033)</u> |
| | | 1,426,036 |
| Deferred revenue | \$ | 1,522,154 |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

| | <u>Beginning Balances</u> | <u>Additions</u> | <u>Retirements/ Reclassifications</u> | <u>Ending Balances</u> |
|--|-------------------------------|--------------------------|---|-----------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 6,214,096 | \$ - | \$ (53,736) | \$ 6,160,360 |
| Construction in progress | 13,805,855 | 895,823 | (13,972,494) | 729,184 |
| Total capital assets not being depreciated | <u>20,019,951</u> | <u>895,823</u> | <u>(14,026,230)</u> | <u>6,889,544</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 8,727,421 | 813,920 | 331,581 | 9,872,922 |
| Machinery and equipment | 16,324,109 | 865,060 | (1,221,466) | 15,967,703 |
| Infrastructure | 33,186,467 | 318,952 | 5,628,531 | 39,133,950 |
| SBITA assets | 887,285 | 110,167 | (110,065) | 887,387 |
| Right-to-use assets (equipment) | 378,257 | - | - | 378,257 |
| Total capital assets being depreciated | <u>59,503,539</u> | <u>2,108,099</u> | <u>4,628,581</u> | <u>66,240,219</u> |
| Less accumulated depreciation | | | | |
| Buildings and improvements | 3,287,300 | 258,328 | (181,333) | 3,364,295 |
| Machinery and equipment | 8,846,739 | 956,450 | (1,099,316) | 8,703,873 |
| Infrastructure | 17,681,492 | 1,180,801 | (46,742) | 18,815,551 |
| SBITA assets | 300,324 | 157,011 | (97,693) | 359,642 |
| Right-to-use assets (equipment) | 255,531 | 59,448 | - | 314,979 |
| Total accumulated depreciation | <u>30,371,386</u> | <u>2,612,038</u> | <u>(1,425,084)</u> | <u>31,558,340</u> |
| Net capital assets being depreciated | <u>29,132,153</u> | <u>(503,939)</u> | <u>6,053,665</u> | <u>34,681,879</u> |
| Total Capital Assets | <u><u>\$ 49,152,104</u></u> | <u><u>\$ 391,884</u></u> | <u><u>\$ (7,972,565)</u></u> | <u><u>\$ 41,571,423</u></u> |

Depreciation was charged to governmental functions as follows:

| | |
|---|----------------------------|
| General government | \$ 301,152 |
| Public safety | 844,832 |
| Streets | 903,887 |
| Culture and recreation | 556,951 |
| Community development | 5,216 |
| Total Governmental Activities Depreciation Expense | <u><u>\$ 2,612,038</u></u> |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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A summary of changes in business-type activities capital assets for the year end was as follows:

| | <u>Beginning Balances</u> | <u>Additions</u> | <u>Retirements/ Reclassifications</u> | <u>Ending Balances</u> |
|--|-------------------------------|---------------------|---|----------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 5,763,143 | \$ - | \$ - | \$ 5,763,143 |
| Construction in progress | 38,060,371 | 920,848 | (31,339,832) | 7,641,387 |
| Total capital assets not being depreciated | <u>43,823,514</u> | <u>920,848</u> | <u>(31,339,832)</u> | <u>13,404,530</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 22,905,452 | 163,077 | 5,173,871 | 28,242,400 |
| Machinery and equipment | 8,675,379 | 1,088,603 | (11,665) | 9,752,317 |
| Infrastructure | 73,917,384 | 3,771,917 | 32,768,994 | 110,458,295 |
| Total capital assets being depreciated | <u>105,498,215</u> | <u>5,023,597</u> | <u>37,931,200</u> | <u>148,453,012</u> |
| Less accumulated depreciation | | | | |
| Buildings and improvements | 8,662,580 | 561,168 | - | 9,223,748 |
| Machinery and equipment | 4,680,565 | 434,791 | (10,499) | 5,104,857 |
| Infrastructure | 36,085,534 | 1,396,215 | - | 37,481,749 |
| Total accumulated depreciation | <u>49,428,679</u> | <u>2,392,174</u> | <u>(10,499)</u> | <u>51,810,354</u> |
| Net capital assets being depreciated | 56,069,536 | 2,631,423 | 37,941,699 | 96,642,658 |
| Total Capital Assets | <u>\$ 99,893,050</u> | <u>\$ 3,552,271</u> | <u>\$ 6,601,867</u> * | <u>\$ 110,047,188</u> |

* Includes \$6,666,411 of capital assets transferred from governmental activities and \$64,544 of storm water capital assets transferred to governmental activities. The net total transfer of capital assets amounted to \$6,601,861 during the current year.

Depreciation was charged to business-type activities as follows:

| | |
|--|---------------------|
| Water | \$ 907,533 |
| Sewer | 516,516 |
| Wastewater treatment plant | 272,546 |
| Storm water drainage | 356,996 |
| Airport Fund | 120,887 |
| Landfill | 217,696 |
| Total Business-type Activities Depreciation Expense | <u>\$ 2,392,174</u> |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

A summary of changes in component unit activities capital assets for the year end was as follows:

| | <u>Beginning Balances</u> | <u>Additions</u> | <u>Retirements/ Reclassifications</u> | <u>Ending Balances</u> |
|--|-------------------------------|-------------------|---|----------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 51,580 | \$ - | \$ - | \$ 51,580 |
| Total capital assets not being depreciated | <u>51,580</u> | <u>-</u> | <u>-</u> | <u>51,580</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 619,667 | 34,865 | - | 654,532 |
| Machinery and equipment | 60,438 | - | - | 60,438 |
| Total capital assets being depreciated | <u>680,105</u> | <u>34,865</u> | <u>-</u> | <u>714,970</u> |
| Less accumulated depreciation | | | | |
| Buildings and improvements | 13,942 | 29,901 | - | 43,843 |
| Machinery and equipment | 38,076 | 10,879 | - | 48,955 |
| Total accumulated depreciation | <u>52,018</u> | <u>40,780</u> | <u>-</u> | <u>92,798</u> |
| Net capital assets being depreciated | <u>628,087</u> | <u>(5,915)</u> | <u>-</u> | <u>622,172</u> |
| Total Capital Assets | <u>\$ 679,667</u> | <u>\$ (5,915)</u> | <u>\$ -</u> | <u>\$ 673,752</u> |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

D. Long-term Debt

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2025. In general, the City uses the debt service fund and general fund to liquidate governmental long-term liabilities.

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|--|------------------------------|-------------------|--|---------------------------|--|
| Governmental Activities: | | | | | |
| Bonds, notes and other payables: | | | | | |
| Certificates of Obligation | \$ 14,435,000 | \$ - | \$ (820,000) | \$ 13,615,000 | \$ 855,000 |
| Notes payable | 3,125,558 | - | (651,401) | 2,474,157 | 623,164 |
| Lease liabilities | 130,068 | - | (62,133) | 67,935 | 44,112 |
| SBITA liabilities | 564,747 | 110,167 | (157,297) * | 517,617 | 145,558 |
| Less deferred amounts: | | | | | |
| For discounts | (992) | - | 132 | (860) | - |
| For premiums | 633,488 | - | (102,591) | 530,897 | - |
| Total Governmental Activities | \$ 18,887,869 | \$ 110,167 | \$ (1,793,290) | \$ 17,204,746 | \$ 1,667,834 |
| | | | Long-term liabilities due in more than one year | \$ 15,536,912 | |
| Business-Type Activities: | | | | | |
| General Obligation Bonds | \$ 2,715,000 | \$ - | \$ (60,000) | \$ 2,655,000 | \$ 60,000 |
| Certificates of Obligation | 33,575,000 | - | (2,365,000) | 31,210,000 | 2,430,000 |
| Notes payable | 847,742 | - | (152,961) | 694,781 | 160,838 |
| Less deferred amounts: | | | | | |
| For discounts | (1,751) | - | 207 | (1,544) | - |
| For premiums | 1,499,414 | - | (197,284) | 1,302,130 | - |
| Total Business-Type Activities | \$ 38,635,405 | \$ - | \$ (2,775,038) | \$ 35,860,367 | \$ 2,650,838 |
| | | | Long-term liabilities due in more than one year | \$ 33,209,529 | |
| Component Unit Activities: | | | | | |
| Notes payable | \$ 275,000 | \$ - | \$ (275,000) | \$ - | \$ - |
| Total Component Unit Activities | \$ 275,000 | \$ - | \$ (275,000) | \$ - | \$ - |

*6,600 of this decrease was debt forgiveness due to early termination of a contract.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. The general fund has typically been used to liquidate the liability for compensated absences for governmental activities.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Long-term debt at year end was comprised of the following debt issues:

| | Governmental | Business - | |
|--|----------------------|----------------------|----------------------|
| | Activities | Type | Total |
| | Activities | Activities | Total |
| Certificates of Obligation: | | | |
| \$4,000,000 Certificates of Obligation, Series 2011, due in annual installments through 2031, interest at 1.75-4.25% | \$ 1,570,000 | \$ - | \$ 1,570,000 |
| \$11,860,000 Certificates of Obligation, Series 2020, due in annual installments through 2040, interest at 2-4% | 10,330,000 | - | 10,330,000 |
| \$20,470,000 Certificates of Obligation, Series 2022, due in annual installments through 2042, interest at 3-5% | 1,715,000 | 17,125,000 | 18,840,000 |
| \$4,300,000 Certificates of Obligation, Series 2006A, due in annual installments through 2027, interest at 3.92% semi-yearly | - | 600,000 | 600,000 |
| \$2,040,000 Certificates of Obligation Bonds, Series 2016 due in annual installments through 2027, interest at 1.84% semi-yearly | - | 1,250,000 | 1,250,000 |
| \$17,030,000 Certificates of Obligation Bonds, Series 2018, due in annual installments through 2039, interest at 0.18% to 1.34% semi-yearly | - | 12,235,000 | 12,235,000 |
| Total Certificates of Obligation | \$ 13,615,000 | \$ 31,210,000 | \$ 44,825,000 |
| General Obligation Bonds: | | | |
| \$2,825,000 General Obligation Refunding, Series 2022, due in annual installments through 2033, interest at 4.402% | \$ - | \$ 2,655,000 | \$ 2,655,000 |
| Total General Obligation Bonds | \$ - | \$ 2,655,000 | \$ 2,655,000 |
| Less deferred amounts: | | | |
| Issuance premium | \$ 530,897 | \$ 1,302,130 | \$ 1,833,027 |
| Issuance discounts | (860) | (1,544) | (2,404) |
| Total deferred amounts | \$ 530,037 | \$ 1,300,586 | \$ 1,830,623 |
| Notes payable | \$ 2,474,157 | \$ 694,781 | \$ 3,168,938 |
| SBITA & Lease liabilities | 585,552 | - | 585,552 |
| Total Long-Term Debt | \$ 17,204,746 | \$ 35,860,367 | \$ 53,065,113 |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The annual requirements to amortize the City's long-term activities debt issues outstanding at year ending were as follows:

| <u>Year ending</u> <u>September 30,</u> | <u>Governmental Activites</u> | | |
|--|-------------------------------|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2026 | \$ 855,000 | \$ 400,231 | \$ 1,255,231 |
| 2027 | 895,000 | 363,906 | 1,258,906 |
| 2028 | 930,000 | 326,031 | 1,256,031 |
| 2029 | 965,000 | 286,706 | 1,251,706 |
| 2030 | 1,015,000 | 245,600 | 1,260,600 |
| 2031 | 1,045,000 | 209,463 | 1,254,463 |
| 2032 | 775,000 | 185,225 | 960,225 |
| 2033 | 795,000 | 167,600 | 962,600 |
| 2034 | 810,000 | 150,550 | 960,550 |
| 2035 | 830,000 | 133,125 | 963,125 |
| 2036 | 845,000 | 115,325 | 960,325 |
| 2037 | 865,000 | 97,013 | 962,013 |
| 2038 | 885,000 | 77,963 | 962,963 |
| 2039 | 905,000 | 54,075 | 959,075 |
| 2040 | 935,000 | 25,250 | 960,250 |
| 2041 | 130,000 | 8,000 | 138,000 |
| 2042 | 135,000 | 2,700 | 137,700 |
| | <u>\$ 13,615,000</u> | <u>\$ 2,848,763</u> | <u>\$ 16,463,763</u> |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Combination Tax and Revenue Certificates of Obligations

| <u>Year ending</u> <u>September 30,</u> | <u>Business-Type Activites</u> | | |
|--|--------------------------------|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2026 | \$ 2,430,000 | \$ 840,623 | \$ 3,270,623 |
| 2027 | 2,490,000 | 774,538 | 3,264,538 |
| 2028 | 1,600,000 | 717,547 | 2,317,547 |
| 2029 | 1,650,000 | 669,905 | 2,319,905 |
| 2030 | 1,700,000 | 619,644 | 2,319,644 |
| 2031 | 1,750,000 | 566,798 | 2,316,798 |
| 2032 | 1,810,000 | 511,251 | 2,321,251 |
| 2033 | 1,855,000 | 462,920 | 2,317,920 |
| 2034 | 1,895,000 | 422,552 | 2,317,552 |
| 2035 | 1,935,000 | 380,765 | 2,315,765 |
| 2036 | 1,985,000 | 337,532 | 2,322,532 |
| 2037 | 2,025,000 | 291,556 | 2,316,556 |
| 2038 | 2,080,000 | 241,318 | 2,321,318 |
| 2039 | 2,135,000 | 184,932 | 2,319,932 |
| 2040 | 1,240,000 | 130,000 | 1,370,000 |
| 2041 | 1,290,000 | 79,400 | 1,369,400 |
| 2042 | 1,340,000 | 26,800 | 1,366,800 |
| | <u>\$ 31,210,000</u> | <u>\$ 7,258,081</u> | <u>\$ 38,468,081</u> |

General Obligation Bonds

| <u>Year ending</u> <u>September 30,</u> | <u>Business-Type Activites</u> | | |
|--|--------------------------------|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2026 | \$ 60,000 | \$ 113,850 | \$ 173,850 |
| 2027 | 65,000 | 111,650 | 176,650 |
| 2028 | 380,000 | 102,750 | 482,750 |
| 2029 | 395,000 | 87,250 | 482,250 |
| 2030 | 415,000 | 71,050 | 486,050 |
| 2031 | 425,000 | 54,250 | 479,250 |
| 2032 | 445,000 | 34,625 | 479,625 |
| 2033 | 470,000 | 11,750 | 481,750 |
| | <u>\$ 2,655,000</u> | <u>\$ 587,175</u> | <u>\$ 3,242,175</u> |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The annual requirements to amortize notes payable & leases outstanding at year ending were as follows:

| Year ending September 30, | Governmental Activities - Notes Payable | | |
|--------------------------------------|--|-------------------|---------------------|
| | Principal | Interest | Total |
| 2026 | \$ 623,164 | \$ 79,837 | \$ 703,001 |
| 2027 | 545,506 | 57,108 | 602,614 |
| 2028 | 448,741 | 37,786 | 486,527 |
| 2029 | 277,454 | 23,801 | 301,255 |
| 2030 | 285,170 | 16,085 | 301,255 |
| 2031 | 294,122 | 8,153 | 302,275 |
| Total | \$ 2,474,157 | \$ 222,770 | \$ 2,696,927 |

Governmental assets under note payable financing consist of vehicles and have an original purchase value of \$5,127,000 and a current net book value of \$2,936,326 of year end.

| Year ending September 30, | Governmental Activities - Lease Liabilities | | |
|--------------------------------------|--|-----------------|------------------|
| | Principal | Interest | Total |
| 2026 | \$ 44,112 | \$ 1,404 | \$ 45,516 |
| 2027 | 23,823 | 200 | 24,023 |
| Total | \$ 67,935 | \$ 1,604 | \$ 69,539 |

The City entered into leases for use of office space and equipment. The property is classified as right to use assets with a total carrying value as of yearend for governmental activities of \$63,278.

| Year ending September 30, | Governmental Activities - SBITA | | |
|--------------------------------------|--|------------------|-------------------|
| | Principal | Interest | Total |
| 2026 | \$ 145,558 | \$ 20,502 | \$ 166,060 |
| 2027 | 145,946 | 14,770 | 160,716 |
| 2028 | 109,792 | 8,651 | 118,443 |
| 2029 | 44,947 | 3,845 | 48,792 |
| 2030 | 35,153 | 2,169 | 37,322 |
| 2031 | 36,221 | 1,101 | 37,322 |
| Total | \$ 517,617 | \$ 51,038 | \$ 568,655 |

The City entered into subscription leases for use of software equipment. The property is classified as right to use assets with a total carrying value as of yearend for governmental activities of \$527,745.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

| Year ending September 30, | Business-Type Activities - Notes Payable | | |
|------------------------------|--|------------------|-------------------|
| | Principal | Interest | Total |
| 2026 | \$ 160,838 | \$ 35,781 | \$ 196,619 |
| 2027 | 169,122 | 27,498 | 196,620 |
| 2028 | 177,831 | 18,788 | 196,619 |
| 2029 | 186,990 | 9,630 | 196,620 |
| Total | \$ 694,781 | \$ 91,697 | \$ 786,478 |

Business-type assets under note payable financing consists of equipment and have an original purchase value of \$1,189,831 and a current net book value of \$534,143 of year end.

E. Other Long-term Liabilities

The following is a summary of changes in the City's total other long-term liabilities for the year ended September 30, 2025. In general, the City uses the general fund to liquidate governmental compensated absences.

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|--|----------------------|-------------------|---------------------|---------------------|-----------------------------------|
| Governmental Activities: | | | | | |
| Compensated Absences | \$ 1,483,217 | \$ 898,244 | \$ (910,295) | \$ 1,471,166 | \$ 912,123 |
| Total Governmental Activities | \$ 1,483,217 | \$ 898,244 | \$ (910,295) | \$ 1,471,166 | \$ 912,123 |
| | | | | \$ 559,043 | |
| Business-Type Activities: | | | | | |
| Estimated landfill closure and postclosure cost | \$ 610,042 | \$ - | \$ (311,993) | \$ 298,049 | \$ - |
| Compensated Absences | 213,447 | 162,623 | (164,493) | 211,577 | 131,178 |
| Total Business-Type Activities | \$ 823,489 | \$ 162,623 | \$ (476,486) | \$ 509,626 | \$ 131,178 |
| | | | | \$ 378,448 | |
| Component Unit Activities: | | | | | |
| Compensated Absences | \$ 62,348 | \$ 10,166 | \$ (9,907) | \$ 62,607 | \$ 38,816 |
| Total Component Unit Activities | \$ 62,348 | \$ 10,166 | \$ (9,907) | \$ 62,607 | \$ 38,816 |
| | | | | \$ 23,791 | |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

F. Deferred Charges on Refunding

Deferred charges resulting from the issuance of general obligation refunding bonds have been recorded as deferred outflows/inflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding bonds. Current year deferred outflow balances for governmental and business-type activities totaled \$8,388 and \$909, respectively. Current year amortization expense for governmental and business-type activities totaled \$1,119 and \$961, respectively. Current year deferred inflow balances for business-type activities totaled \$63,353. Current year amortization credit toward interest expense for business-type activities totaled \$8,447.

G. Interfund Transactions

Transfers between the primary government funds during the 2025 year were as follows:

| Transfer (Out): | Transfer In: | | | | | Total |
|------------------------|---------------------|-------------------------|-----------------------|-------------------------------|------------------|---------------------|
| | General | Capital Projects | Nonmajor Govt. | Water & Wastewater | Airport | |
| General | \$ - | \$ 342,946 | \$ - | \$ - | \$ 79,134 | \$ 422,080 |
| Nonmajor Govt | - | - | 823,050 | - | - | 823,050 |
| Water & Wastewater | 2,138,190 | - | - | - | - | 2,138,190 |
| Stormwater Drainage | 229,344 | - | - | 108,443 | - | 337,787 |
| Sanitary landfill | 93,162 | - | - | - | - | 93,162 |
| Total | \$ 2,460,696 | \$ 342,946 | \$ 823,050 | \$ 108,443 | \$ 79,134 | \$ 3,814,269 |

Transfers from the General Fund to the Capital Projects are to provide for annual street improvements. Water and Wastewater, Stormwater Drainage, and Sanitary Landfill transfers to the General Fund were to repay the cost of administrative services, such as management, accounting, legal, and IT provided by the General Fund. Stormwater Drainage transfers to Water & Wastewater were to repay the cost of billing and collections provided by Water & Wastewater staff. General Fund transfers to the Airport Fund are to cover personnel costs. The TIF Fund transfers to Debt Service were for the debt service payments (identified as nonmajor governmental fund in the table above).

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The compositions of interfund due to/due from balances as of the year ended September 30, 2025 were as follows:

| Receivable fund: | Payable fund: | | | | Total |
|-------------------------|-----------------------------|-----------------------------------|------------------------------|---------------------------|---------------------|
| | Capital Projects | Water & Wastewater | Sanitary Landfill | Nonmajor Govt. | |
| General | \$ 74,640 | \$ 2,054,332 | 40,797 | \$ 124,611 | \$ 2,294,380 |
| Total | \$ 74,640 | \$ 2,054,332 | \$ 40,797 | \$ 124,611 | \$ 2,294,380 |

Amounts due to the General Fund from the other primary government funds related to various amounts used to cover operational and capital expenditures.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,700 other entities in the Texas Municipal League’s Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Commitments and Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City’s management that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The City had the following construction commitments as of year end:

| Project | Contract Amount | Spent to Date | Remaining Commitment |
|---|----------------------|----------------------|-------------------------|
| General Fund: | | | |
| W. Frey & Dale - Curb Ramp and Sidewalk Install. | \$ 21,900 | \$ - | \$ 21,900 |
| Downtown Street and Sidewalk - Design | 101,800 | 49,769 | 52,031 |
| City Park - Parking Lot Resurface Phase I | 12,875 | - | 12,875 |
| Painting MSC | 19,199 | - | 19,199 |
| MSC Flooring | 42,855 | 21,427 | 21,428 |
| Total General Fund | \$ 198,629 | \$ 71,196 | \$ 127,433 |
| Capital Projects & NonMajor Govt. Funds: | | | |
| Graham Street 100 Block Brick Street | \$ 11,736 | \$ - | \$ 11,736 |
| Swan, Hyman, & Dale Resurfacing | 275,814 | 245,622 | 30,192 |
| College Street Brick Reconstruction Design | 96,000 | 61,502 | 34,498 |
| Sports Field Lighting Project | 1,038,000 | 988,984 | 49,016 |
| Ballfield Architecture and Design Services | 53,000 | 46,000 | 7,000 |
| Rec Hall Parking Lot Improvements | 38,950 | - | 38,950 |
| Ballfield Constructions | 627,403 | - | 627,403 |
| West Tarleton Sidewalk & Lighting Improvements | 93,500 | 33,150 | 60,350 |
| 2025 Street Maintenance Program - Engineering | 9,600 | 6,240 | 3,360 |
| Wayfinding Signs | 162,500 | 133,240 | 29,260 |
| Total Capital Projects & NonMajor Govt. Fund | \$ 2,406,503 | \$ 1,514,738 | \$ 891,765 |
| Water & Wastewater: | | | |
| Eastside Sewer Project - Engineering | \$ 217,800 | \$ 204,392 | \$ 13,408 |
| Eastside Sewer Project - Project Management | 180,985 | 178,485 | 2,500 |
| Eastside Sewer Project Phase I Construction | 22,691,300 | 22,010,834 | 680,466 |
| Long Street Utilities & Street Reconstruction Eng. | 594,700 | 573,797 | 20,903 |
| Long Street Utilities & Street Reconstruction | 5,977,298 | 5,676,468 | 300,830 |
| Lillian Pump Station - Engineering | 50,000 | 32,250 | 17,750 |
| WWTP Equipment Replacement - Engineering | 315,080 | 294,960 | 20,120 |
| City Park 21-inch Sewer Line Replacement | 24,500 | 19,750 | 4,750 |
| Lillian Pump Station-1 MG Ground Storage Tank-Eng. | 274,000 | 165,920 | 108,080 |
| Eastside Sewer Phase III Design Eng. | 1,071,984 | 83,208 | 988,776 |
| Total Water & Wastewater | \$ 31,397,647 | \$ 29,240,064 | \$ 2,157,583 |
| Stormwater Drainage: | | | |
| Chamberline Improvements - Engineering | 24,500 | 19,750 | 4,750 |
| Riverside Drainage Improvements Bacchus Prop - Eng. | 53,587 | 42,870 | 10,717 |
| Riverside Drainage Improvements - Eng. | 22,500 | 18,750 | 3,750 |
| Total Stormwater Drainage | \$ 100,587 | \$ 81,370 | \$ 19,217 |
| Nonmajor Proprietary | | | |
| Airport Extension | 362,281 | 308,010 | 54,271 |
| Airport Layout Plan | 399,803 | 366,885 | 32,918 |
| Total Nonmajor Proprietary | \$ 762,084 | \$ 674,895 | \$ 87,189 |
| Total Construction Commitments | \$ 34,865,450 | \$ 31,582,263 | \$ 3,283,187 |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

C. Municipal Solid Waste Landfill Closure and Post Closure Costs

The City has constructed a Type IV sanitary landfill, which began operations on December 1, 1995. This facility is permitted to accept only brush and/or construction demolition wastes and rubbish free of household wastes.

State and federal laws and regulation require the City to place a final cover on the landfill site when it stops accepting waste to perform certain maintenance and monitoring functions at the site for a period of five years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City will report a portion of these closure and post closure costs as an operating expense in each period based on landfill capacity used to date. Total estimated closure and 5-year post closure costs are approximately \$699,769. The landfill site has an estimate net capacity of 2,935,715 cubic yards and is expected to be closed within the next 20-30 years; approximately 42.59% of the landfill was used at yearend resulting in an accrued liability of \$298,049. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has received written authorization from the state that no annual contributions are required, thus the intent of the City is to fund the required expenses as incurred.

D. Defined Benefit Pension Plans

1. Plan Description

The City of Stephenville, Texas participates as one of 942 plans in the defined benefit cash-balance plan administered by Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the city are required to participate in TMRS.

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

At retirement, the member’s benefit is calculated based on the sum of the member’s contributions with interest, the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

The general and enterprise funds have typically been used to liquidate the liability for pension and OPEB balances.

Plan provisions for the City were as follows:

| | <u>Plan Year 2023</u> | <u>Plan Year 2024</u> |
|--|--------------------------|--------------------------|
| Employee deposit rate | 6% | 6% |
| Matching ratio (city to employee) | 2 to 1 | 2 to 1 |
| Years required for vesting | 5 | 5 |
| Service retirement eligibility (expressed as age / years of service) | 60/5, 0/20 | 60/5, any age/20 |
| Updated service credit | 100% Repeating Transfers | 100% Repeating Transfers |
| Annuity increase (to retirees) | 0% of CPI | 0% of CPI |
| Active Employees | Yes | Yes |
| Supplemental Death Benefit to Retirees | Yes | Yes |

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 142 |
| Inactive employees entitled to but not yet receiving benefits | 182 |
| Active employees | <u>180</u> |
| Total | <u>504</u> |

3. Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the member’s total compensation, and the City matching ratios are either 1:1(1 to 1), 1.5:1 (1 ½ to 1) or 2:1 (2 to 1), both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City’s contribution rate is based on the

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City of Stephenville, Texas were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Stephenville, Texas were 7.55% and 7.81% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$983,333, and were equal to the required contributions.

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability (Asset) in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|--|
| Inflation | 2.50% per year |
| Overall payroll growth | 3.60% to 11.85%, including inflation |
| Investment Rate of Return | 6.75%, net of pension plan investment expense, including inflation |

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, Gabriel, Roeder, Smith & Company (GRS) focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|-----------------------|-------------------|---|
| Global Public Equity | 35.0% | 7.1% |
| Core Fixed Income | 6.0% | 5.0% |
| Non-Core Fixed Income | 6.0% | 6.8% |
| Hedge Funds | 5.0% | 6.4% |
| Private Equity | 13.0% | 8.5% |
| Private Debt | 13.0% | 8.2% |
| Real Estate | 12.0% | 6.7% |
| Infrastructure | 6.0% | 6.0% |
| Other Private Markets | 4.0% | 7.3% |
| Total | 100.0% | |

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability (Asset). Of the total pension (asset), \$4,008,564 is related to the primary government and \$93,947 is attributable to the discretely presented component unit.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Changes in the Net Pension Liability (Asset)

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Total Net Pension Liability (Asset) (a) – (b) | Primary Government | Component Unit |
|--|--|--|--|-------------------------------|---------------------------|
| Balance at 12/31/2023 | \$ 48,611,056 | \$ 50,475,829 | \$ (1,864,773) | \$ (1,822,443) | \$ (42,330) |
| Changes for the year: | | | | | |
| Service cost | 1,673,317 | - | 1,673,317 | 1,634,719 | 38,598 |
| Interest | 3,234,911 | - | 3,234,911 | 3,160,293 | 74,618 |
| Change in benefit terms | - | - | - | - | - |
| Difference between expected and actual experience | (306,896) | - | (306,896) | (299,817) | (7,079) |
| Changes of assumptions | - | - | - | - | - |
| Contributions – employer | - | 914,811 | (914,811) | (893,709) | (21,102) |
| Contributions – employee | - | 727,002 | (727,002) | (710,233) | (16,769) |
| Net investment income | - | 5,231,680 | (5,231,680) | (5,111,003) | (120,677) |
| Benefit payments, including refunds of emp. contributions | (3,046,203) | (3,046,203) | - | - | - |
| Administrative expense | - | (33,636) | 33,636 | 32,860 | 776 |
| Other changes | - | (787) | 787 | 769 | 18 |
| Net changes | 1,555,129 | 3,792,867 | (2,237,738) | (2,186,121) | (51,617) |
| Balance at 12/31/2024 | \$ 50,166,185 | \$ 54,268,696 | \$ (4,102,511) | \$ (4,008,564) | \$ (93,947) |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Primary Government

| 1% Decrease 5.75% | Current Single Rate Assumption 6.75% | 1% Increase 7.75% |
|----------------------|---|----------------------|
| \$ 2,185,953 | \$ (4,008,564) | \$ (9,140,815) |

Component Unit

| 1% Decrease 5.75% | Current Single Rate Assumption 6.75% | 1% Increase 7.75% |
|----------------------|---|----------------------|
| \$ 51,232 | \$ (93,947) | \$ (214,231) |

Total

| 1% Decrease 5.75% | Current Single Rate Assumption 6.75% | 1% Increase 7.75% |
|----------------------|---|----------------------|
| \$ 2,237,185 | \$ (4,102,511) | \$ (9,355,046) |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense of \$667,221. Of this amount, \$651,942 is related to the primary government and \$15,279 is attributable to discretely presented component unit.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred</u> <u>Outflows of Resources</u> | <u>Deferred</u> <u>(Inflows) of Resources</u> |
|---|---|--|
| Primary Government: | | |
| Difference between projected and actual investment earnings | \$ 2,820,606 | \$ (3,303,069) |
| Differences between expected and actual economic experience | 188,576 | (241,861) |
| Difference in assumption changes | - | (77,511) |
| Contributions subsequent to the measurement date | 770,217 | - |
| Component Unit: | | |
| Difference between projected and actual investment earnings | 66,106 | (77,413) |
| Differences between expected and actual economic experience | 4,420 | (5,668) |
| Difference in assumption changes | - | (1,817) |
| Contributions subsequent to the measurement date | 18,051 | - |
| Total | <u>\$ 3,867,976</u> | <u>\$ (3,707,339)</u> |

The primary government and component unit reported \$770,217 and \$18,051, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2026.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended December 31: | <u>Total</u> | <u>Primary</u> <u>Government</u> | <u>Component</u> <u>Unit</u> |
|--------------------------------|---------------------|-------------------------------------|---------------------------------|
| 2025 | \$ 33,226 | \$ 32,465 | \$ 761 |
| 2026 | 570,726 | 557,656 | 13,070 |
| 2027 | (866,673) | (846,826) | (19,847) |
| 2028 | (364,910) | (356,554) | (8,356) |
| 2029 | - | - | - |
| Thereafter | - | - | - |
| | <u>\$ (627,631)</u> | <u>\$ (613,259)</u> | <u>\$ (14,372)</u> |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Other Postemployment Benefits

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other postemployment benefit,” or OPEB.

| The City offers supplemental death to: | Plan Year 2023 | Plan Year 2024 |
|--|----------------|----------------|
| Active employees (yes or no) | Yes | Yes |
| Retirees (yes or no) | Yes | Yes |

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees’ entire careers.

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 101 |
| Inactive employees entitled to but not yet receiving benefits | 37 |
| Active employees | 180 |
| Total | 318 |

The City’s contributions to the TMRS SDBF for the years ended 2025, 2024, and 2023 were \$21,196, \$17,005, and \$11,334, respectively, which equaled the required contributions each year.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

| Plan/ Calendar Year | Annual Required Contribution (Rate) | Actual Contribution Made (Rate) | Percentage of ARC Contributed |
|------------------------|---|---------------------------------------|----------------------------------|
| 2023 | 0.19% | 0.19% | 100.0% |
| 2024 | 0.16% | 0.16% | 100.0% |
| 2025 | 0.16% | 0.16% | 100.0% |

Total OPEB Liability

The City’s Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2024, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

| | |
|--|---|
| Inflation | 2.5% per year |
| Overall payroll growth | 3.60% to 11.85%, including inflation per year |
| Discount rate | 4.08% |
| Retirees’ share of benefit-related costs | \$0 |
| Administrative expenses | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68 |

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

Primary Government

| 1% Decrease 3.08% | Current Single Rate Assumption 4.08% | 1% Increase 5.08% |
|----------------------|---|----------------------|
| \$ 646,446 | \$ 545,558 | \$ 466,840 |

Component Unit

| 1% Decrease 3.08% | Current Single Rate Assumption 4.08% | 1% Increase 5.08% |
|----------------------|---|----------------------|
| \$ 15,151 | \$ 12,786 | \$ 10,941 |

Total

| 1% Decrease 3.08% | Current Single Rate Assumption 4.08% | 1% Increase 5.08% |
|----------------------|---|----------------------|
| \$ 661,597 | \$ 558,344 | \$ 477,781 |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Changes in the Total OPEB Liability:

| | <u>Total OPEB Liability</u> | <u>Primary Government</u> | <u>Component Unit</u> |
|--|---------------------------------|-------------------------------|---------------------------|
| Balance at 12/31/2023 | \$ 552,437 | \$ 539,897 | \$ 12,540 |
| Changes for the year: | | | |
| Service Cost | 20,598 | 19,740 | 858 |
| Interest | 552,437 | 19,982 | 868 |
| Difference between expected and actual experience | 13,112 | 12,566 | 546 |
| Changes of assumptions | (29,266) | (28,047) | (1,219) |
| Benefit payments | (19,387) | (18,580) | (807) |
| Net changes | 5,907 | 5,661 | 246 |
| Balance at 12/31/2024 | <u>\$ 558,344</u> | <u>\$ 545,558</u> | <u>\$ 12,786</u> |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized OPEB expense of \$25,328. Of this amount, \$24,748 is related to the primary government and \$580 is attributable to discretely presented component unit.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

| <u>Primary Government</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred (Inflows) of Resources</u> |
|--|---|--|
| Differences between expected and actual economic experience | \$ 5,216 | \$ - |
| Differences in assumptions | - | (100,942) |
| Contributions subsequent to measurement date | 15,190 | - |
| Total | <u>\$ 20,406</u> | <u>\$ (100,942)</u> |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

| <u>Component Unit</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred (Inflows) of Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience | \$ - | \$ (2,365) |
| Differences in assumptions | 122 | - |
| Contributions subsequent to measurement date | 356 | - |
| Total | <u>\$ 478</u> | <u>\$ (2,365)</u> |

The primary government and component unit reported \$15,190 and \$356, respectively, as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2026.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended December 31: | Total | Primary Government | Component Unit |
|--------------------------------|--------------------|-------------------------------|---------------------------|
| 2025 | \$ (20,059) | \$ (19,600) | \$ (459) |
| 2026 | (35,259) | (34,452) | (807) |
| 2027 | (40,561) | (39,632) | (929) |
| 2028 | (159) | (155) | (4) |
| 2029 | (1,931) | (1,887) | (44) |
| Thereafter | - | - | - |
| | <u>\$ (97,969)</u> | <u>\$ (95,726)</u> | <u>\$ (2,243)</u> |

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

E. Restatements

Due to the implementation of GASB 101, *Compensated Absences*, and a prior year accounting error, the City restated beginning fund balance/net position for governmental activities, component unit activities, the water & wastewater fund, sanitary landfill fund, and the airport fund. The summary of the restatements is as follows:

| | Governmental Activities |
|--|------------------------------------|
| Prior year ending fund balance/net position, as reported | \$ 57,274,550 |
| New Acct. Standard - GASB 101 | (881,455) |
| To correct long-term debt obligation | 26,704 |
| Restated beginning fund balance/net position | \$ 56,419,799 |

| | Business-Type Activities | Water & Wastewater | Sanitary Landfill | Nonmajor Proprietary Funds |
|--|-------------------------------------|-----------------------------------|------------------------------|---|
| Prior year ending fund balance/net position, as reported | \$ 76,315,276 | \$ 57,129,341 | \$ - | \$ 12,142,956 |
| Change in major funds | - | | 3,142,244 | (3,142,244) |
| New Acct. Standard - GASB 101 | (106,546) | (91,176) | (12,367) | (3,003) |
| Restated beginning fund balance/net position | \$ 76,208,730 | \$ 57,038,165 | \$ 3,129,877 | \$ 8,997,709 |

| | Component Unit Activities |
|---|--------------------------------------|
| Prior year ending net position, as reported | \$ 1,333,286 |
| New Acct. Standard - GASB 101 | (48,562) |
| Restated beginning net position | \$ 1,284,724 |

F. New Accounting Standards

The City adopted GASB 101, *Compensated Absences* during the year. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a “full accrual” basis). A liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

This standard was applied retroactively and resulted in a sick leave liability of \$988,001 for the primary government and \$48,562 for the discretely presented component unit as of September 30, 2024.

G. Subsequent Events

On December 5, 2025, the City entered a note payable financing arrangement with Public Property Finance Act to finance the purchase of landfill equipment. The loan totaled \$936,204 with an interest rate of 5.165%. Principal and interest payments of \$210,885 are due annually through April 30, 2030.

On February 26, 2026, the City issued a 5-year tax note in the amount of \$3,240,000 for the construction of a 1.5-million-gallon ground storage water tank, with an interest rate of 3.47% and maturing on February 15, 2031.

There were no other material subsequent events through March 27, 2026, the date the financial statements were issued.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2025

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--------------------------------|----------------------------|---------------------|-------------------|---|
| <u>Revenues</u> | | | | |
| Property tax | \$ 7,385,336 | \$ 7,385,336 | \$ 7,450,864 | \$ 65,528 |
| Sales tax | 7,977,122 | 7,977,122 | 8,547,744 | 570,622 |
| Franchise and other taxes | 1,369,143 | 1,369,143 | 1,361,128 | (8,015) |
| License and permits | 461,238 | 461,238 | 896,681 | 435,443 |
| Charges for services | 539,796 | 685,796 | 725,780 | 39,984 |
| Emergency services | 635,000 | 635,000 | 716,745 | 81,745 |
| Fines and forfeitures | 245,390 | 245,390 | 226,864 | (18,526) |
| Intergovernmental | 329,065 | 329,065 | 229,559 | (99,506) |
| Contributions and donations | 77,389 | 77,389 | 491,431 | 414,042 |
| Investment income | 455,000 | 455,000 | 776,671 | 321,671 |
| Other revenues | 36,000 | 36,000 | 136,496 | 100,496 |
| Total Revenues | <u>19,510,479</u> | <u>19,656,479</u> | <u>21,559,963</u> | <u>1,903,484</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General government | | | | |
| City council | 463,841 | 523,188 | 489,710 | 33,478 |
| City manager | 470,943 | 478,943 | 462,413 | 16,530 |
| City secretary | 237,050 | 237,050 | 229,567 | 7,483 |
| Emergency management | 18,972 | 18,972 | 16,164 | 2,808 |
| Financial services | 808,098 | 864,021 | 727,702 | 136,319 |
| Municipal building | 134,942 | 150,442 | 130,933 | 19,509 |
| Municipal services center | 209,308 | 209,308 | 139,550 | 69,758 |
| Information technology | 616,471 | 618,261 | 638,589 | (20,328) * |
| Legal counsel | 150,847 | 150,847 | 100,677 | 50,170 |
| Human resources | 343,858 | 343,858 | 261,672 | 82,186 |
| Downtown | 186,198 | 196,458 | 165,623 | 30,835 |
| Tax | 242,608 | 242,608 | 234,591 | 8,017 |
| Geographic Information Systems | 126,841 | 132,459 | 91,324 | 41,135 |
| Total general government | <u>4,009,977</u> | <u>4,166,415</u> | <u>3,688,515</u> | <u>477,900</u> |
| Culture and recreation | | | | |
| Library | 302,014 | 302,014 | 280,003 | 22,011 |
| Parks and recreation | 2,376,516 | 2,630,516 | 2,327,087 | 303,429 |
| Senior citizens | 1,664,781 | 1,063,231 | 1,067,617 | (4,386) * |
| Aquatic | 381,056 | 381,056 | 272,382 | 108,674 |
| Total culture and recreation | <u>4,724,367</u> | <u>4,376,817</u> | <u>3,947,089</u> | <u>429,728</u> |

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 2 of 2)
For the Year Ended September 30, 2025

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|----------------------------|-----------------------|-----------------------------|---|
| Community development | | | | |
| Planning and development | \$ 730,619 | \$ 936,468 | \$ 614,377 | \$ 322,091 |
| Total community development | <u>730,619</u> | <u>936,468</u> | <u>614,377</u> | <u>322,091</u> |
| Public safety | | | | |
| Municipal court | 159,182 | 159,182 | 172,613 | (13,431) * |
| Fire department | 4,692,077 | 4,695,783 | 4,927,985 | (232,202) * |
| Police department | 8,173,720 | 8,311,364 | 6,843,527 | 1,467,837 |
| Total public safety | <u>13,024,979</u> | <u>13,166,329</u> | <u>11,944,125</u> | <u>1,222,204</u> |
| Public works | | | | |
| Street maintenance | 1,063,451 | 1,076,972 | 900,175 | 176,797 |
| Total public works | <u>1,063,451</u> | <u>1,076,972</u> | <u>900,175</u> | <u>176,797</u> |
| Debt service: | | | | |
| Principal retirement | 675,978 | 675,977 | 864,231 | (188,254) * |
| Interest and fiscal charges | 103,171 | 103,172 | 129,933 | (26,761) * |
| Total debt service | <u>779,149</u> | <u>779,149</u> | <u>994,164</u> | <u>(215,015)</u> |
| Total Expenditures | <u>24,332,542</u> | <u>24,502,150</u> | <u>22,088,445</u> | <u>2,413,705</u> |
| Revenues Over (Under) Expenditures | <u>(4,822,063)</u> | <u>(4,845,671)</u> | <u>(528,482)</u> | <u>4,317,189</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 2,487,901 | 2,487,901 | 2,460,696 | (27,205) |
| Transfers (out) | (422,080) | (422,080) | (422,080) | - |
| SBITA issuance | 98,000 | 98,000 | 110,167 | 12,167 |
| Sale of assets | - | - | 1,488,596 | 1,488,596 |
| Total Other Financing Sources (Uses) | <u>2,163,821</u> | <u>2,163,821</u> | <u>3,637,379</u> | <u>1,473,558</u> |
| Net Change in Fund Balance | <u>\$ (2,658,242)</u> | <u>\$ (2,681,850)</u> | <u>3,108,897</u> | <u>\$ 5,790,747</u> |
| Beginning fund balance | | | <u>17,380,636</u> | |
| Ending Fund Balance | | | <u><u>\$ 20,489,533</u></u> | |

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

City of Stephenville, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

Years Ended:

| | <u>12/31/2015</u> | <u>12/31/2016</u> | <u>12/31/2017</u> | <u>12/31/2018</u> |
|---|----------------------|----------------------|-----------------------|----------------------|
| Total pension liability | | | | |
| Service cost | \$ 1,076,600 | \$ 1,240,408 | \$ 1,250,973 | \$ 1,168,137 |
| Interest | 2,637,868 | 2,673,757 | 2,424,723 | 2,540,193 |
| Changes in benefit terms | - | - | (6,087,924) | - |
| Differences between expected and actual experience | (270,060) | 341,014 | (149,716) | 97,553 |
| Changes of assumptions | 86,443 | - | - | - |
| Benefit payments, including refunds of participant contributions | (1,503,966) | (1,866,778) | (1,857,064) | (1,690,739) |
| Net change in total pension liability | <u>2,026,885</u> | <u>2,388,401</u> | <u>(4,419,008)</u> | <u>2,115,144</u> |
| Total pension liability - beginning | <u>37,897,511</u> | <u>39,924,396</u> | <u>42,312,797</u> | <u>37,893,789</u> |
| Total pension liability - ending (a) | <u>39,924,396</u> | <u>42,312,797</u> | <u>37,893,789</u> | <u>40,008,933</u> |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 1,056,595 | \$ 1,152,678 | \$ 1,163,749 | \$ 591,042 |
| Contributions - members | 439,450 | 487,390 | 488,628 | 523,047 |
| Net investment income | 50,357 | 2,307,288 | 5,016,931 | (1,227,648) |
| Benefit payments, including refunds of participant contributions | (1,503,966) | (1,866,778) | (1,857,064) | (1,690,739) |
| Administrative expenses | (30,670) | (26,054) | (25,993) | (23,720) |
| Other | (1,514) | (1,403) | (1,321) | (1,238) |
| Net change in plan fiduciary net position | <u>10,252</u> | <u>2,053,121</u> | <u>4,784,930</u> | <u>(1,829,256)</u> |
| Plan fiduciary net position - beginning | <u>34,124,969</u> | <u>34,135,221</u> | <u>36,188,342</u> | <u>40,973,272</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 34,135,221</u> | <u>\$ 36,188,342</u> | <u>\$ 40,973,272</u> | <u>\$ 39,144,016</u> |
| Fund's net pension liability(asset) - ending (a) - (b) | <u>\$ 5,789,175</u> | <u>\$ 6,124,455</u> | <u>\$ (3,079,483)</u> | <u>\$ 864,917</u> |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 85.50% | 85.53% | 108.13% | 97.84% |
| Covered payroll | \$ 7,215,815 | \$ 8,123,168 | \$ 8,133,762 | \$ 8,717,442 |
| Fund's net pension liability as a percentage of covered payroll | 80.23% | 75.39% | -37.86% | 9.92% |

| | <u>12/31/2019</u> | <u>12/31/2020</u> | <u>12/31/2021</u> | <u>12/31/2022</u> | <u>12/31/2023</u> | <u>12/31/2024</u> |
|----|--------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| \$ | 1,185,079 | \$ 1,239,233 | \$ 1,275,150 | \$ 1,441,696 | \$ 1,523,177 | \$ 1,673,317 |
| | 2,679,331 | 2,803,005 | 2,895,233 | 2,967,599 | 3,105,894 | 3,234,911 |
| | - | - | - | - | - | - |
| | (105,017) | (264,202) | (433,666) | 325,507 | 210,561 | (306,896) |
| | 38,003 | - | - | - | (156,348) | - |
| | (1,815,354) | (2,169,177) | (2,690,132) | (2,805,671) | (2,647,778) | (3,046,203) |
| | <u>1,982,042</u> | <u>1,608,859</u> | <u>1,046,585</u> | <u>1,929,131</u> | <u>2,035,506</u> | <u>1,555,129</u> |
| | <u>40,008,933</u> | <u>41,990,975</u> | <u>43,599,834</u> | <u>44,646,419</u> | <u>46,575,550</u> | <u>48,611,056</u> |
| | <u>41,990,975</u> | <u>43,599,834</u> | <u>44,646,419</u> | <u>46,575,550</u> | <u>48,611,056</u> | <u>50,166,185</u> |
| \$ | 571,828 | \$ 609,114 | \$ 665,418 | \$ 794,897 | \$ 846,460 | \$ 914,811 |
| | 537,993 | 547,929 | 566,314 | 639,333 | 674,470 | 727,002 |
| | 6,052,577 | 3,372,435 | 6,095,203 | (3,747,136) | 5,347,078 | 5,231,680 |
| | (1,815,354) | (2,169,177) | (2,690,132) | (2,805,671) | (2,647,778) | (3,046,203) |
| | (34,194) | (21,835) | (28,225) | (32,469) | (34,083) | (33,636) |
| | (1,028) | (852) | 193 | 38,744 | (239) | (787) |
| | <u>5,311,822</u> | <u>2,337,614</u> | <u>4,608,771</u> | <u>(5,112,302)</u> | <u>4,185,908</u> | <u>3,792,867</u> |
| | <u>39,144,016</u> | <u>44,455,838</u> | <u>46,793,452</u> | <u>51,402,223</u> | <u>46,289,921</u> | <u>50,475,829</u> |
| \$ | <u>44,455,838</u> | <u>\$ 46,793,452</u> | <u>\$ 51,402,223</u> | <u>\$ 46,289,921</u> | <u>\$ 50,475,829</u> | <u>\$ 54,268,696</u> |
| \$ | <u>(2,464,863)</u> | <u>\$ (3,193,618)</u> | <u>\$ (6,755,804)</u> | <u>\$ 285,629</u> | <u>\$ (1,864,773)</u> | <u>\$ (4,102,511)</u> |
| | 105.87% | 107.32% | 115.13% | 99.39% | 103.84% | 108.18% |
| \$ | 8,843,876 | \$ 9,132,155 | \$ 9,438,565 | \$ 10,655,552 | \$ 11,241,158 | \$ 12,116,706 |
| | -27.87% | -34.97% | -71.58% | 2.68% | -16.59% | -33.86% |

City of Stephenville, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

| | 9/30/2016 | 9/30/2017 | 9/30/2018 | 9/30/2019 |
|--|--------------|--------------|--------------|--------------|
| Actuarially determined employer contributions | \$ 1,105,140 | \$ 1,147,185 | \$ 746,654 | \$ 565,648 |
| Contributions in relation to the actuarially determined contribution | \$ 1,105,140 | \$ 1,147,185 | \$ 746,654 | \$ 565,648 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| Annual covered payroll | \$ 7,752,867 | \$ 8,042,962 | \$ 8,525,408 | \$ 8,732,879 |
| Employer contributions as a percentage of covered payroll | 14.25% | 14.26% | 8.76% | 6.48% |

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | N/A |
| Asset Valuation Method | 10 Year smoothed market; 12% soft corridor |
| Inflation | 2.5% |
| Salary Increases | 3.60% to 11.85% including inflation |
| Investment Rate of Return | 6.75% |
| Retirement Age | Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022. |
| Mortality | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most |

Other Information:

Notes There were no benefit changes during the year.

| <u>9/30/2020</u> | <u>9/30/2021</u> | <u>9/30/2022</u> | <u>9/30/2023</u> | <u>9/30/2024</u> | <u>9/30/2025</u> | ¹ |
|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| \$ 601,275 | \$ 642,735 | \$ 743,582 | \$ 726,692 | \$ 799,137 | \$ 893,991 | |
| \$ 601,275 | \$ 642,735 | \$ 793,175 | \$ 834,385 | \$ 896,776 | \$ 983,334 | |
| \$ - | \$ - | \$ (49,593) | \$ (107,693) | \$ (97,639) | \$ (89,343) | |
| \$ 9,133,053 | \$ 9,254,121 | \$ 10,799,000 | \$ 11,087,687 | \$ 11,885,083 | \$ 12,689,690 | |
| 6.58% | 6.95% | 7.34% | 7.53% | 7.55% | 7.75% | |

City of Stephenville, Texas
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended:

| | <u>12/31/2017</u> | <u>12/31/2018</u> | <u>12/31/2019</u> | <u>12/31/2020</u> |
|--|-------------------|-------------------|-------------------|-------------------|
| Total OPEB liability | | | | |
| Service cost | \$ 16,268 | \$ 20,050 | \$ 16,803 | \$ 22,830 |
| Interest | 15,405 | 15,629 | 17,124 | 16,197 |
| Changes in benefit terms | - | - | - | - |
| Differences between expected and actual experience | - | (8,185) | 3,706 | (16,587) |
| Changes of assumptions | 35,257 | (32,062) | 91,264 | 90,141 |
| Benefit payments, including refunds of participant contributions | (4,068) | (4,359) | (4,422) | (4,566) |
| Net change in total OPEB liability | <u>62,862</u> | <u>(8,927)</u> | <u>124,475</u> | <u>108,015</u> |
| Total OPEB liability - beginning | <u>401,442</u> | <u>464,304</u> | <u>455,377</u> | <u>579,852</u> |
| Total OPEB liability - ending | <u>\$ 464,304</u> | <u>\$ 455,377</u> | <u>\$ 579,852</u> | <u>\$ 687,867</u> |
| | | | | |
| Covered-employee payroll | \$ 8,133,762 | \$ 8,717,442 | \$ 8,843,876 | \$ 9,132,155 |
| City's total OPEB liability as a percentage of covered-employee payroll | 5.71% | 5.22% | 6.56% | 7.53% |

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

| | <u>12/31/2021</u> | <u>12/31/2022</u> | <u>12/31/2023</u> | <u>12/31/2024</u> ¹ |
|----|-----------------------|--------------------------|--------------------------|---------------------------------------|
| \$ | 28,316 | \$ 36,229 | \$ 17,986 | \$ 20,598 |
| | 13,899 | 13,730 | 20,546 | 20,850 |
| | - | - | - | - |
| | (1,976) | (1,517) | (1,476) | 13,112 |
| | 22,650 | (259,008) | 27,756 | (29,266) |
| | (14,158) | (17,049) | (21,358) | (19,387) |
| | <u>48,731</u> | <u>(227,615)</u> | <u>43,454</u> | <u>5,907</u> |
| | <u>687,867</u> | <u>736,598</u> | <u>508,983</u> | <u>552,437</u> |
| \$ | <u><u>736,598</u></u> | \$ <u><u>508,983</u></u> | \$ <u><u>552,437</u></u> | \$ <u><u>558,344</u></u> ² |
| \$ | 9,438,565 | \$ 10,655,552 | \$ 11,241,158 | \$ 12,116,437 |
| | 7.80% | 4.78% | 4.91% | 4.61% |

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***COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES***

City of Stephenville, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

| | <u>Hotel/ Motel Tax</u> | <u>Child Safety</u> | <u>Public Safety</u> | <u>Municipal Court Technology</u> |
|--|-----------------------------|-------------------------|----------------------|---|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 2,160,932 | \$ 20,092 | \$ 206,587 | \$ 64,267 |
| Restricted cash | 65,710 | - | - | - |
| Accounts receivable, net | 164,441 | - | - | - |
| Prepaid expenses | 496 | - | - | - |
| Total Assets | \$ 2,391,579 | \$ 20,092 | \$ 206,587 | \$ 64,267 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 8,068 | \$ - | \$ 11,287 | \$ - |
| Due to other funds | - | - | 1,084 | - |
| Total Liabilities | 8,068 | - | 12,371 | - |
| <u>Deferred Inflows of Resources</u> | | | | |
| Unavailable revenue - property taxes | - | - | - | - |
| <u>Fund Balances</u> | | | | |
| Nonspendable | | | | |
| Prepaid items | 496 | - | - | - |
| Restricted for: | | | | |
| Tourism | 2,383,015 | - | - | - |
| Municipal court | - | - | - | 64,267 |
| Public safety | - | 20,092 | 194,216 | - |
| Community reinvestment | - | - | - | - |
| Debt service | - | - | - | - |
| Total Fund Balances | 2,383,511 | 20,092 | 194,216 | 64,267 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$ 2,391,579 | \$ 20,092 | \$ 206,587 | \$ 64,267 |

| <u>TIF</u> | <u>Total Nonmajor Special Revenue</u> | <u>Debt Service</u> | <u>Total Nonmajor Governmental</u> |
|-------------------|---|---------------------|--|
| \$ 50,150 | \$ 2,502,028 | \$ 274,535 | \$ 2,776,563 |
| 136,917 | 202,627 | - | 202,627 |
| 95,054 | 259,495 | 4,631 | 264,126 |
| - | 496 | - | 496 |
| <u>\$ 282,121</u> | <u>\$ 2,964,646</u> | <u>\$ 279,166</u> | <u>\$ 3,243,812</u> |
| | | | |
| \$ - | \$ 19,355 | \$ - | \$ 19,355 |
| 123,527 | 124,611 | - | 124,611 |
| <u>123,527</u> | <u>143,966</u> | <u>-</u> | <u>143,966</u> |
| | | | |
| - | - | 3,825 | 3,825 |
| | | | |
| - | 496 | - | 496 |
| - | 2,383,015 | - | 2,383,015 |
| - | 64,267 | - | 64,267 |
| - | 214,308 | - | 214,308 |
| 158,594 | 158,594 | - | 158,594 |
| - | - | 275,341 | 275,341 |
| <u>158,594</u> | <u>2,820,680</u> | <u>275,341</u> | <u>3,096,021</u> |
| | | | |
| <u>\$ 282,121</u> | <u>\$ 2,964,646</u> | <u>\$ 279,166</u> | <u>\$ 3,243,812</u> |

City of Stephenville, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2025

| | Hotel/ Motel Tax | Child Safety | Public Safety | Municipal Court Technology |
|---|---------------------|-----------------|---------------|----------------------------------|
| Revenues | | | | |
| Hotel occupancy tax | \$ 1,076,134 | \$ - | \$ - | \$ - |
| Property taxes | - | - | - | - |
| Sales taxes | - | - | - | - |
| Fines and forfeitures | - | 5,398 | 87,948 | 14,630 |
| Intergovernmental | - | - | 8,804 | - |
| Investment income | 88,623 | 745 | 6,705 | 2,444 |
| Other revenue | 37,244 | - | - | - |
| Total Revenues | 1,202,001 | 6,143 | 103,457 | 17,074 |
| Expenditures | | | | |
| General government | 550,590 | - | - | - |
| Public safety | - | - | 13,124 | 884 |
| Debt service: | | | | |
| Principal retirement | 65,000 | - | - | - |
| Interest | 69,775 | - | - | - |
| Capital outlay | 13,469 | - | 24,469 | - |
| Total Expenditures | 698,834 | - | 37,593 | 884 |
| Revenues Over (Under) Expenditures | 503,167 | 6,143 | 65,864 | 16,190 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers (out) | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | 503,167 | 6,143 | 65,864 | 16,190 |
| Beginning fund balances | 1,880,344 | 13,949 | 128,352 | 48,077 |
| Ending Fund Balances | \$ 2,383,511 | \$ 20,092 | \$ 194,216 | \$ 64,267 |

| <u>TIF</u> | <u>Total Nonmajor Special Revenue</u> | <u>Debt Service</u> | <u>Total Nonmajor Governmental</u> |
|-------------------|---|---------------------|--|
| \$ - | \$ 1,076,134 | \$ - | \$ 1,076,134 |
| 120,967 | 120,967 | 307,345 | 428,312 |
| 696,136 | 696,136 | - | 696,136 |
| - | 107,976 | - | 107,976 |
| - | 8,804 | - | 8,804 |
| 5,958 | 104,475 | 10,246 | 114,721 |
| - | 37,244 | - | 37,244 |
| <u>823,061</u> | <u>2,151,736</u> | <u>317,591</u> | <u>2,469,327</u> |
| - | 550,590 | 300 | 550,890 |
| - | 14,008 | - | 14,008 |
| - | 65,000 | 755,000 | 820,000 |
| - | 69,775 | 343,506 | 413,281 |
| - | 37,938 | - | 37,938 |
| <u>-</u> | <u>737,311</u> | <u>1,098,806</u> | <u>1,836,117</u> |
| <u>823,061</u> | <u>1,414,425</u> | <u>(781,215)</u> | <u>633,210</u> |
| - | - | 823,050 | 823,050 |
| <u>(823,050)</u> | <u>(823,050)</u> | <u>-</u> | <u>(823,050)</u> |
| <u>(823,050)</u> | <u>(823,050)</u> | <u>823,050</u> | <u>-</u> |
| 11 | 591,375 | 41,835 | 633,210 |
| 158,583 | 2,229,305 | 233,506 | 2,462,811 |
| <u>\$ 158,594</u> | <u>\$ 2,820,680</u> | <u>\$ 275,341</u> | <u>\$ 3,096,021</u> |

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX
For the Year Ended September 30, 2025

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|------------------------|---------------------|---------------------|---|
| <u>Revenues</u> | | | | |
| Hotel occupancy tax | \$ 925,704 | \$ 925,704 | \$ 1,076,134 | \$ 150,430 |
| Investment income | 40,000 | 40,000 | 88,623 | 48,623 |
| Other revenue | 69,754 | 69,754 | 37,244 | (32,510) |
| Total Revenues | <u>1,035,458</u> | <u>1,035,458</u> | <u>1,202,001</u> | <u>166,543</u> |
| <u>Expenditures</u> | | | | |
| General government | 776,402 | 690,662 | 550,590 | 140,072 |
| Debt service: | | | | |
| Principal | 65,000 | 65,000 | 65,000 | - |
| Interest and fiscal charges | 69,775 | 69,775 | 69,775 | - |
| Capital outlay | 37,500 | 50,970 | 13,469 | 37,501 |
| Total Expenditures | <u>948,677</u> | <u>876,407</u> | <u>698,834</u> | <u>177,573</u> |
| Excess of Revenues Over (Under) Expenditures | <u>86,781</u> | <u>159,051</u> | <u>503,167</u> | <u>344,116</u> |
| Net Change in Fund Balance | <u>\$ 86,781</u> | <u>\$ 159,051</u> | <u>503,167</u> | <u>\$ 344,116</u> |
| Beginning fund balance | | | 1,880,344 | |
| Ending Fund Balance | | | <u>\$ 2,383,511</u> | |

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CHILD SAFETY
For the Year Ended September 30, 2025

| | Original & Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------------------|-----------|---|
| <u>Revenues</u> | | | |
| Fines and forfeitures | \$ 3,125 | \$ 5,398 | \$ 2,273 |
| Investment income | 200 | 745 | 545 |
| Total Revenues | 3,325 | 6,143 | 2,818 |
| Excess of Revenues Over (Under) Expenditures | | | |
| | 3,325 | 6,143 | 2,818 |
| Net Change in Fund Balance | \$ 3,325 | 6,143 | \$ 2,818 |
| Beginning fund balance | | 13,949 | |
| Ending Fund Balance | | \$ 20,092 | |

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC SAFETY
For the Year Ended September 30, 2025

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|------------------------|---------------------|-------------------|---|
| <u>Revenues</u> | | | | |
| Fines and forfeitures | \$ - | \$ - | \$ 87,948 | \$ 87,948 |
| Intergovernmental | 3,200 | 3,200 | 8,804 | 5,604 |
| Interest income | 1,400 | 1,400 | 6,705 | 5,305 |
| Total Revenues | <u>4,600</u> | <u>4,600</u> | <u>103,457</u> | <u>98,857</u> |
| <u>Expenditures</u> | | | | |
| Public safety | 17,225 | 24,225 | 13,124 | 11,101 |
| Capital outlay | - | 40,000 | 24,469 | 15,531 |
| Total Expenditures | <u>17,225</u> | <u>64,225</u> | <u>37,593</u> | <u>26,632</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(12,625)</u> | <u>(59,625)</u> | <u>65,864</u> | <u>125,489</u> |
| Net Change in Fund Balance | <u>\$ (12,625)</u> | <u>\$ (59,625)</u> | <u>65,864</u> | <u>\$ 125,489</u> |
| Beginning fund balance | | | <u>128,352</u> | |
| Ending Fund Balance | | | <u>\$ 194,216</u> | |

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT TECHNOLOGY
For the Year Ended September 30, 2025

| | Original & Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|----------------------------|-----------|---|
| <u>Revenues</u> | | | |
| Fines and forfeitures | \$ 14,240 | \$ 14,630 | \$ 390 |
| Interest income | 1,200 | 2,444 | 1,244 |
| Total Revenues | 15,440 | 17,074 | 1,634 |
| <u>Expenditures</u> | | | |
| Public safety | 4,333 | 884 | 3,449 |
| Total Expenditures | 4,333 | 884 | 3,449 |
| Net Change in Fund Balance | \$ 11,107 | 16,190 | \$ 5,083 |
| Beginning fund balance | | 48,077 | |
| Ending Fund Balance | | \$ 64,267 | |

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE

For the Year Ended September 30, 2025

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|------------------------|---------------------|-------------------|---|
| <u>Revenues</u> | | | | |
| Property taxes | \$ 276,608 | \$ 276,608 | \$ 307,345 | \$ 30,737 |
| Interest income | 2,000 | 2,000 | 10,246 | 8,246 |
| Total Revenues | <u>278,608</u> | <u>278,608</u> | <u>317,591</u> | <u>38,983</u> |
| <u>Expenditures</u> | | | | |
| General government | 700 | 700 | 300 | 400 |
| Debt service: | | | | |
| Principal | 755,000 | 755,000 | 755,000 | - |
| Interest | 343,525 | 343,525 | 343,506 | 19 |
| Total Expenditures | <u>1,099,225</u> | <u>1,099,225</u> | <u>1,098,806</u> | <u>419</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(820,617)</u> | <u>(820,617)</u> | <u>(781,215)</u> | <u>39,402</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers in | 823,850 | 823,850 | 823,050 | (800) |
| Total Other Financing Sources (Uses) | <u>823,850</u> | <u>823,850</u> | <u>823,050</u> | <u>(800)</u> |
| Net Change in Fund Balance | <u>\$ 3,233</u> | <u>\$ 3,233</u> | 41,835 | <u>\$ 38,602</u> |
| Beginning fund balance | | | 233,506 | |
| Ending Fund Balance | | | <u>\$ 275,341</u> | |

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS
For the Year Ended September 30, 2025

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|------------------------|-----------------------|---------------------|---|
| <u>Revenues</u> | | | | |
| License and permits | \$ 4,000 | \$ 4,000 | \$ 630 | \$ (3,370) |
| Interest income | 120,000 | 120,000 | 256,803 | 136,803 |
| Other revenue | 12,500 | 12,500 | - | (12,500) |
| Total Revenues | <u>136,500</u> | <u>136,500</u> | <u>257,433</u> | <u>120,933</u> |
| <u>Expenditures</u> | | | | |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | 114,585 | (114,585) |
| Capital outlay | 3,435,297 | 4,282,437 | 882,077 | 3,400,360 |
| Total Expenditures | <u>3,435,297</u> | <u>4,282,437</u> | <u>996,662</u> | <u>3,285,775</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(3,298,797)</u> | <u>(4,145,937)</u> | <u>(739,229)</u> | <u>3,406,708</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers in | 342,946 | 342,946 | 342,946 | - |
| Total Other Financing Sources (Uses) | <u>342,946</u> | <u>342,946</u> | <u>342,946</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (2,955,851)</u> | <u>\$ (3,802,991)</u> | <u>(396,283)</u> | <u>\$ 3,406,708</u> |
| Beginning fund balance | | | 4,877,739 | |
| Ending Fund Balance | | | <u>\$ 4,481,456</u> | |

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TIF FUND
For the Year Ended September 30, 2025

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------------|---------------------|---------------|---|
| <u>Revenues</u> | | | | |
| Property taxes | \$ 128,872 | \$ 128,872 | \$ 120,967 | \$ (7,905) |
| Sales taxes | 698,000 | 698,000 | 696,136 | (1,864) |
| Investment income | 12,000 | 12,000 | 5,958 | (6,042) |
| Total Revenues | 838,872 | 838,872 | 823,061 | (15,811) |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers (out) | (823,850) | (823,850) | (823,050) | 800 |
| Total Other Financing Sources (Uses) | (823,850) | (823,850) | (823,050) | 800 |
| Net Change in Fund Balance | \$ 15,022 | \$ 15,022 | 11 | \$ (15,011) |
| Beginning fund balance | | | 158,583 | |
| Ending Fund Balance | | | \$ 158,594 | |

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Stephenville, Texas
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
September 30, 2025

| | | Stephenville Economic Development Authority |
|---|-----------|--|
| <u>Assets</u> | | |
| Cash and cash equivalents | \$ | 598,455 |
| Receivables, net | | 154,209 |
| Total Assets | \$ | <u>752,664</u> |
| <u>Liabilities</u> | | |
| Accounts payable and accrued liabilities | \$ | 47,843 |
| Total Liabilities | | <u>47,843</u> |
| <u>Fund Balances</u> | | |
| Restricted for: | | |
| Economic development | | 704,821 |
| Total Fund Balance | | <u>704,821</u> |
| Total Liabilities and Fund Balance | \$ | <u>752,664</u> |

See Notes to Financial Statements.

City of Stephenville, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION DISCRETELY PRESENTED COMPONENT UNIT

September 30, 2025

| | | |
|--|-----------|-------------------------|
| Fund Balance | \$ | 704,821 |
| Adjustments for the Statement of Net Position: | | |
| Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds. | | |
| Capital assets - non-depreciable | | 51,580 |
| Capital assets - net depreciable | | 622,172 |
| Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then. | | |
| Deferred pension outflows | | 88,577 |
| Deferred OPEB outflows | | 478 |
| Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. | | |
| Deferred pension inflows | | (84,898) |
| Deferred OPEB inflows | | (2,365) |
| Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds. | | |
| Compensated absences | | (62,607) |
| Net pension asset | | 93,947 |
| OPEB liability | | (12,786) |
| Net Position of the Discretely Presented Component Unit | \$ | <u>1,398,919</u> |

See Notes to Financial Statements.

City of Stephenville, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE DISCRETELY PRESENTED COMPONENT UNIT

For the Year Ended September 30, 2025

| | | <u>Stephenville Economic Development Authority</u> |
|----------------------------|--|--|
| <u>Revenues</u> | | |
| Sales tax | \$ | 786,761 |
| Grant revenues | | 5,000 |
| Investment income | | 23,353 |
| | Total Revenues | <u>815,114</u> |
| <u>Expenditures</u> | | |
| Current: | | |
| Economic development | | 702,645 |
| | Total Expenditures | <u>702,645</u> |
| | Revenue Over (Under) Expenditures | 112,469 |
| | Net Change in Fund Balance | 112,469 |
| Beginning fund balance | | 592,352 |
| | Ending Fund Balance | <u><u>\$ 704,821</u></u> |

See Notes to Financial Statements.

City of Stephenville, Texas
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED
COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

| | | |
|-----------------------------|----|---------|
| Net changes in fund balance | \$ | 112,469 |
|-----------------------------|----|---------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | | |
|----------------------|--|----------|
| Capital outlay | | 34,865 |
| Depreciation expense | | (40,780) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | | |
|--|-----------|----------------|
| Pension expense | | 8,142 |
| Other post employment benefits | | (242) |
| Compensated absences | | (259) |
| Change in Net Position of the Discretely Presented Component Unit | \$ | 114,195 |

See Notes to Financial Statements.

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

| Contents | Page |
|-----------------|-------------|
|-----------------|-------------|

| | |
|------------------|-----|
| Financial Trends | 123 |
|------------------|-----|

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

| | |
|------------------|-----|
| Revenue Capacity | 133 |
|------------------|-----|

These schedules contain information to help the reader assess the City's most significant local revenue sources.

| | |
|---------------|-----|
| Debt Capacity | 141 |
|---------------|-----|

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

| | |
|--------------------------------------|-----|
| Demographic and Economic Information | 147 |
|--------------------------------------|-----|

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

| | |
|-----------------------|-----|
| Operating Information | 151 |
|-----------------------|-----|

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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City of Stephenville, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 19,789,241 | \$ 19,963,873 | \$ 20,176,273 | \$ 20,416,468 | \$ 21,847,814 | \$ 23,272,989 | \$ 21,971,416 | \$ 27,442,882 | \$ 30,980,280 | \$ 25,369,989 |
| Restricted | 593,600 | 581,054 | 2,621,264 | 2,008,149 | 1,976,474 | 3,266,475 | 5,580,333 | 5,185,539 | 6,462,931 | 9,789,055 |
| Unrestricted | <u>5,976,217</u> | <u>5,115,547</u> | <u>7,993,562</u> | <u>9,080,813</u> | <u>11,139,622</u> | <u>11,542,774</u> | <u>16,243,370</u> | <u>18,227,299</u> | <u>18,976,588</u> | <u>18,977,673</u> |
| Total governmental activities net position | <u>\$ 26,359,058</u> | <u>\$ 25,660,474</u> | <u>\$ 30,791,099</u> | <u>\$ 31,505,430</u> | <u>\$ 34,963,910</u> | <u>\$ 38,082,238</u> | <u>\$ 43,795,119</u> | <u>\$ 50,855,720</u> | <u>\$ 56,419,799</u> | <u>\$ 54,136,717</u> |
| Business-type activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 34,339,443 | \$ 36,926,841 | \$ 38,174,605 | \$ 43,079,879 | \$ 45,293,731 | \$ 49,052,873 | \$ 50,478,546 | \$ 62,394,725 | \$ 68,534,796 | \$ 78,300,779 |
| Restricted | 1,054,111 | 1,456,900 | 2,477,403 | 1,045,392 | 1,089,229 | 956,437 | 1,543,514 | 2,334,206 | 2,319,955 | 2,791,235 |
| Unrestricted | <u>4,795,330</u> | <u>4,810,634</u> | <u>5,312,381</u> | <u>5,449,645</u> | <u>5,972,401</u> | <u>8,391,452</u> | <u>10,857,292</u> | <u>5,671,727</u> | <u>5,353,979</u> | <u>6,908,560</u> |
| Total business-type activities net position | <u>\$ 40,188,884</u> | <u>\$ 43,194,375</u> | <u>\$ 45,964,389</u> | <u>\$ 49,574,916</u> | <u>\$ 52,355,361</u> | <u>\$ 58,400,762</u> | <u>\$ 62,879,352</u> | <u>\$ 70,400,658</u> | <u>\$ 76,208,730</u> | <u>\$ 88,000,574</u> |
| Primary government: | | | | | | | | | | |
| Net investment in capital assets | \$ 54,128,684 | \$ 56,890,714 | \$ 58,350,878 | \$ 63,496,347 | \$ 67,141,545 | \$ 72,325,862 | \$ 72,449,962 | \$ 89,837,607 | \$ 99,515,076 | \$ 103,670,768 |
| Restricted | 1,647,711 | 2,037,954 | 5,098,667 | 3,053,541 | 3,065,703 | 4,222,912 | 7,123,847 | 7,519,745 | 8,782,886 | 12,580,290 |
| Unrestricted | <u>10,771,547</u> | <u>9,926,181</u> | <u>13,305,943</u> | <u>14,530,458</u> | <u>17,112,023</u> | <u>19,934,226</u> | <u>27,100,662</u> | <u>23,899,026</u> | <u>24,330,567</u> | <u>25,886,233</u> |
| Total primary government net position | <u>\$ 66,547,942</u> | <u>\$ 68,854,849</u> | <u>\$ 76,755,488</u> | <u>\$ 81,080,346</u> | <u>\$ 87,319,271</u> | <u>\$ 96,483,000</u> | <u>\$ 106,674,471</u> | <u>\$ 121,256,378</u> | <u>\$ 132,628,529</u> | <u>\$ 142,137,291</u> |

Note:

Fiscal year ended 2021 restated for the error correction related to ARPA funds.

Fiscal year ended 2022 restated for the error correction related to ARPA funds, the error correction related reimbursement for capital project, and the effects of GASB 96.

Fiscal year ended 2019 through 2023 restated for the error correction related to a capital grant in the Airport Fund.

Fiscal year ended 2024 restated for the implementation of GASB Statement 101 - compensated absences and a correction of long-term debt..

Source: City Audited Financials

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City of Stephenville, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| EXPENSES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 2,004,366 | \$ 1,999,694 | \$ 2,271,044 | \$ 2,555,641 | \$ 2,512,975 | \$ 2,831,782 | \$ 2,930,375 | \$ 3,227,931 | \$ 3,704,676 | \$ 4,316,545 |
| Culture and recreation | 2,254,963 | 2,457,781 | 2,467,345 | 2,402,357 | 2,254,992 | 2,511,374 | 2,756,348 | 2,877,342 | 3,111,473 | 3,274,369 |
| Community development | 980,992 | 1,031,830 | 486,602 | 588,612 | 493,019 | 488,792 | 427,452 | 759,141 | 937,394 | 620,249 |
| Public Safety | 7,929,307 | 8,617,164 | 8,561,797 | 8,885,222 | 9,637,871 | 8,953,779 | 8,964,516 | 10,774,535 | 11,018,052 | 12,373,681 |
| Streets | 1,604,054 | 1,566,786 | 1,507,920 | 1,644,724 | 1,501,306 | 1,495,367 | 1,496,839 | 1,525,640 | 1,527,486 | 1,642,824 |
| Interest on long-term debt | 68,008 | 100,245 | 107,588 | 124,539 | 530,646 | 402,914 | 521,390 | 542,150 | 215,641 | 544,480 |
| Total governmental activities expenses | <u>14,841,690</u> | <u>15,773,500</u> | <u>15,402,296</u> | <u>16,201,095</u> | <u>16,930,809</u> | <u>16,684,008</u> | <u>17,096,920</u> | <u>19,706,739</u> | <u>20,514,722</u> | <u>22,772,148</u> |
| Business-type activities: | | | | | | | | | | |
| Water & Wastewater | 5,690,857 | 5,688,473 | 5,032,780 | 5,508,559 | 5,234,741 | 5,323,323 | 6,698,399 | 7,277,797 | 7,269,384 | 8,211,353 |
| Storm water drainage | 505,829 | 546,509 | 415,779 | 593,199 | 550,783 | 471,717 | 858,992 | 617,924 | 632,900 | 496,571 |
| Airport | 442,822 | 465,063 | 542,252 | 178,613 | 178,661 | 205,951 | 198,800 | 223,073 | 297,617 | 382,092 |
| Sanitary landfill | 224,233 | 256,121 | 194,000 | 579,206 | 599,166 | 643,520 | 957,065 | 1,896,021 | 1,037,322 | 960,164 |
| Total business-type activities expenses | <u>6,863,741</u> | <u>6,956,166</u> | <u>6,184,811</u> | <u>6,859,577</u> | <u>6,563,351</u> | <u>6,644,511</u> | <u>8,713,256</u> | <u>10,014,815</u> | <u>9,237,223</u> | <u>10,050,180</u> |
| Total primary government program revenues | <u>\$ 21,705,431</u> | <u>\$ 22,729,666</u> | <u>\$ 21,587,107</u> | <u>\$ 23,060,672</u> | <u>\$ 23,494,160</u> | <u>\$ 23,328,519</u> | <u>\$ 25,810,176</u> | <u>\$ 29,721,554</u> | <u>\$ 29,751,945</u> | <u>\$ 32,822,328</u> |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General Government | \$ 8,274 | \$ 5,704 | \$ 11,141 | \$ 12,722 | \$ 3,600 | \$ 3,300 | \$ 3,600 | \$ 3,300 | \$ 3,600 | \$ 3,300 |
| Culture and recreation | 377,192 | 347,603 | 289,065 | 313,847 | 245,570 | 325,601 | 411,487 | 450,294 | 421,480 | 687,463 |
| Community development | 320,353 | 215,731 | 245,391 | 474,426 | 321,774 | 415,772 | 505,088 | 542,893 | 608,848 | 897,311 |
| Public Safety | 817,156 | 721,112 | 664,449 | 1,056,364 | 875,103 | 1,107,249 | 1,058,541 | 738,923 | 972,852 | 1,038,766 |
| Streets | 15,567 | 15,352 | 20,836 | 30,442 | 614 | 25,779 | 22,212 | 22,370 | 27,188 | 29,614 |
| Operating grants and contributions | 160,504 | 514,199 | 219,853 | 238,763 | 935,242 | 1,139,101 | 505,260 | 2,190,756 | 1,011,481 | 689,358 |
| Capital grants and contributions | 3,596 | 49,905 | 170,239 | 49,672 | 1,478,520 | 362,063 | 1,278,523 | 776,514 | 993,951 | 234,421 |
| Total governmental activities program revenues | <u>1,702,642</u> | <u>1,869,606</u> | <u>1,620,974</u> | <u>2,176,236</u> | <u>3,860,423</u> | <u>3,378,865</u> | <u>3,784,711</u> | <u>4,725,050</u> | <u>4,039,400</u> | <u>3,580,233</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and Wastewater | \$ 7,014,095 | \$ 7,264,479 | \$ 7,596,037 | \$ 7,762,515 | \$ 8,152,610 | \$ 8,991,212 | \$ 10,686,333 | \$ 11,267,611 | \$ 11,340,287 | \$ 12,169,034 |
| Storm water drainage | 632,583 | 629,673 | 657,356 | 646,904 | 638,126 | 757,477 | 981,550 | 999,800 | 1,000,755 | 1,455,452 |
| Municipal airport | 111,088 | 107,484 | 108,097 | 111,927 | 110,919 | 113,231 | 131,120 | 129,295 | 128,129 | 139,158 |
| Sanitary landfill | 856,649 | 665,681 | 628,731 | 863,829 | 1,113,634 | 1,024,361 | 1,274,189 | 1,323,403 | 1,534,511 | 2,003,209 |
| Operating grants and contributions | 17,857 | 7,086 | - | - | - | - | - | 4,085,783 | 2,116,842 | 94,695 |
| Capital grants and contributions | 48,054 | 1,672,182 | 175,274 | 734,094 | 287,600 | 2,292,279 | 1,502,229 | - | 145,000 | 536,304 |
| Total business-type activities program revenues | <u>8,680,326</u> | <u>10,346,585</u> | <u>9,165,495</u> | <u>10,119,269</u> | <u>10,302,889</u> | <u>13,178,560</u> | <u>14,575,421</u> | <u>17,805,892</u> | <u>16,265,524</u> | <u>16,397,852</u> |
| Total primary government program revenues | <u>\$ 10,382,968</u> | <u>\$ 12,216,191</u> | <u>\$ 10,786,469</u> | <u>\$ 12,295,505</u> | <u>\$ 14,163,312</u> | <u>\$ 16,557,425</u> | <u>\$ 18,360,132</u> | <u>\$ 22,530,942</u> | <u>\$ 20,304,924</u> | <u>\$ 19,978,085</u> |

Source: City Audited Financials.

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City of Stephenville, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| NET (EXPENSE) REVENUES | | | | | | | | | | |
| Governmental activities | \$(13,139,048) | \$(13,903,894) | \$(13,781,322) | \$(14,024,859) | \$(13,070,386) | \$(13,305,143) | \$(13,312,209) | \$(14,981,689) | \$(16,475,322) | \$(19,191,915) |
| Business-type activities | 1,816,585 | 3,390,419 | 2,980,684 | 3,259,692 | 3,739,538 | 6,534,049 | 5,862,165 | 7,791,077 | 7,028,301 | 6,347,672 |
| Total primary government net expense | <u>(11,322,463)</u> | <u>(10,513,475)</u> | <u>(10,800,638)</u> | <u>(10,765,167)</u> | <u>(9,330,848)</u> | <u>(6,771,094)</u> | <u>(7,450,044)</u> | <u>(7,190,612)</u> | <u>(9,447,021)</u> | <u>(12,844,243)</u> |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property -general purposes | 4,715,959 | 4,806,351 | 5,286,326 | 5,577,304 | 6,067,879 | 6,446,356 | 6,441,458 | 6,940,512 | 7,206,769 | 7,508,707 |
| Property -debt services | 484,490 | 481,603 | 492,536 | 465,640 | 256,240 | 265,579 | 268,132 | 264,911 | 305,125 | 428,312 |
| Sales | 5,285,142 | 5,264,443 | 5,644,834 | 5,943,343 | 5,940,857 | 7,075,224 | 8,081,130 | 8,725,344 | 8,878,221 | 9,243,880 |
| Franchise | 1,501,457 | 1,381,186 | 1,199,890 | 1,317,544 | 1,276,928 | 1,204,400 | 1,274,715 | 1,449,693 | 1,417,066 | 1,361,128 |
| Other | 480,036 | 515,043 | 474,199 | 510,185 | 398,706 | 590,006 | 722,328 | 910,588 | 987,371 | 1,076,134 |
| Proceeds from sale of capital assets | 16,162 | 30,274 | - | - | - | 18,109 | 35,260 | 91,788 | 7,734 | - |
| Investment earnings | 52,123 | 68,163 | 139,025 | 264,034 | 115,763 | 11,277 | 187,589 | 1,124,243 | 1,366,533 | 1,148,195 |
| Insurance proceeds | 58,576 | 18,537 | - | - | - | - | - | - | - | - |
| Miscellaneous | 37,080 | 135,230 | 153,598 | 260,645 | 1,030,088 | 251,087 | 286,455 | 352,148 | 159,740 | 362,782 |
| Transfers | 258,870 | 504,479 | 750,852 | 400,495 | 1,442,405 | 561,433 | 1,723,170 | 2,187,917 | 2,592,296 | (4,220,305) |
| Special item - change in employee benefits | - | - | 5,110,168 | - | - | - | - | - | - | - |
| Total governmental activities | <u>12,889,895</u> | <u>13,205,309</u> | <u>19,251,428</u> | <u>14,739,190</u> | <u>16,528,866</u> | <u>16,423,471</u> | <u>19,020,237</u> | <u>22,047,144</u> | <u>22,920,855</u> | <u>16,908,833</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 23,477 | 49,082 | 118,108 | 501,577 | 195,341 | 8,039 | 284,266 | 1,847,275 | 1,331,949 | 722,243 |
| Gain on Sale of Capital Assets | 8,630 | (1,600) | - | - | - | - | - | - | 51,782 | - |
| Miscellaneous | 45,127 | 72,069 | 106,639 | 249,753 | 287,971 | 64,745 | 55,329 | 70,871 | 94,882 | 501,624 |
| Transfers | (258,870) | (504,479) | (750,852) | (400,495) | (1,442,405) | (561,433) | (1,723,170) | (2,187,917) | (2,592,296) | 4,220,305 |
| Total business-type activities | <u>(181,636)</u> | <u>(384,928)</u> | <u>(526,105)</u> | <u>350,835</u> | <u>(959,093)</u> | <u>(488,649)</u> | <u>(1,383,575)</u> | <u>(269,771)</u> | <u>(1,113,683)</u> | <u>5,444,172</u> |
| Total primary government | <u>12,708,259</u> | <u>12,820,381</u> | <u>18,725,323</u> | <u>15,090,025</u> | <u>15,569,773</u> | <u>15,934,822</u> | <u>17,636,662</u> | <u>21,777,373</u> | <u>21,807,172</u> | <u>22,353,005</u> |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental activities | (249,153) | (698,585) | 5,470,106 | 714,331 | 3,458,480 | 3,118,328 | 5,708,028 | 7,065,455 | 6,445,533 | (2,283,082) |
| Business-type activities | <u>1,634,949</u> | <u>3,005,491</u> | <u>2,454,579</u> | <u>3,610,527</u> | <u>2,780,445</u> | <u>6,045,400</u> | <u>4,478,590</u> | <u>7,521,306</u> | <u>5,914,618</u> | <u>11,791,844</u> |
| Total primary government | <u>\$ 1,385,796</u> | <u>\$ 2,306,906</u> | <u>\$ 7,924,685</u> | <u>\$ 4,324,858</u> | <u>\$ 6,238,925</u> | <u>\$ 9,163,728</u> | <u>\$ 10,186,618</u> | <u>\$ 14,586,761</u> | <u>\$ 12,360,151</u> | <u>\$ 9,508,762</u> |

Note:

Fiscal year ended 2021 restated for the error correction related to ARPA funds.

Fiscal year ended 2022 restated for the error correction related to ARPA funds, the error correction related reimbursement for capital project, and the effects of GASB 96.

Fiscal year ended 2019 restated for the error correction related to a capital grant in the Airport Fund.

Fiscal year ended 2024 restated for a correction of long-term debt..

Source: City Audited Financials

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City of Stephenville, Texas
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General fund | | | | | | | | | | |
| Nonspendable | \$ 20,955 | \$ 8,760 | \$ 11,609 | \$ 5,563 | \$ 3,962 | \$ 6,760 | \$ 19,543 | \$ 86,057 | \$ 124,199 | \$ 177,648 |
| Assigned/committed | 1,150,000 | 950,609 | 950,609 | 579,402 | 534,754 | 764,377 | 1,086,068 | 2,442,741 | 2,679,149 | 1,652,659 |
| Unassigned | <u>7,154,643</u> | <u>7,132,272</u> | <u>7,288,833</u> | <u>8,755,397</u> | <u>9,576,401</u> | <u>11,282,011</u> | <u>14,095,016</u> | <u>13,756,961</u> | <u>14,577,288</u> | <u>18,659,226</u> |
| Total general fund | <u>\$ 8,325,598</u> | <u>\$ 8,091,641</u> | <u>\$ 8,251,051</u> | <u>\$ 9,340,362</u> | <u>\$ 10,115,117</u> | <u>\$ 12,053,148</u> | <u>\$ 15,200,627</u> | <u>\$ 16,285,759</u> | <u>\$ 17,380,636</u> | <u>\$ 20,489,533</u> |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 27,721 | \$ 27,721 | \$ 27,721 | \$ 28,333 | \$ 27,945 |
| Unassigned, reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | (10,032) | - | - | - | - |
| Capital projects funds | - | - | - | - | - | - | - | - | - | - |
| Restricted | 434,914 | 365,349 | 488,158 | 512,308 | 634,666 | 10,493,471 | 9,880,697 | 7,919,159 | 7,312,217 | 7,549,532 |
| Assigned/committed | <u>417,929</u> | <u>415,743</u> | <u>442,063</u> | <u>544,571</u> | <u>13,654,954</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total all other governmental funds | <u>\$ 852,843</u> | <u>\$ 781,092</u> | <u>\$ 930,221</u> | <u>\$ 1,056,879</u> | <u>\$ 14,289,620</u> | <u>\$ 10,511,160</u> | <u>\$ 9,908,418</u> | <u>\$ 7,946,880</u> | <u>\$ 7,340,550</u> | <u>\$ 7,577,477</u> |

Source: City Audited Financials.

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City of Stephenville, Texas
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|-----------------------|-----------------------|---------------------|---------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 12,455,045 | \$ 12,460,952 | \$ 13,089,387 | \$ 13,824,745 | \$ 13,956,935 | \$ 15,538,510 | \$ 16,836,864 | \$ 18,279,681 | \$ 18,778,752 | \$ 19,560,318 |
| Licenses, fees and permits | 186,925 | 143,903 | 246,891 | 434,132 | 321,774 | 373,582 | 472,689 | 538,149 | 601,469 | 897,311 |
| Charges for services | 1,022,624 | 958,249 | 978,973 | 1,219,100 | 955,616 | 1,223,443 | 1,253,895 | 1,354,178 | 1,154,721 | 1,442,525 |
| Fines and penalties | 316,343 | 210,015 | 147,598 | 97,480 | 82,567 | 119,653 | 190,327 | 283,254 | 364,431 | 334,840 |
| Intergovernmental | 218,054 | 613,744 | 344,358 | 367,463 | 1,012,110 | 245,224 | 233,558 | 264,618 | 1,170,831 | 238,363 |
| Contributions and donations | - | - | - | - | - | 1,249,640 | 372,386 | 1,831,001 | 1,636,813 | 491,431 |
| Investment earnings | 52,123 | 68,163 | 139,025 | 264,034 | 115,763 | 11,277 | 187,589 | 1,124,243 | 1,366,533 | 1,148,195 |
| Miscellaneous | 40,054 | 135,230 | 150,649 | 269,704 | 1,066,400 | 251,087 | 321,481 | 352,148 | 159,740 | 173,740 |
| Total revenues | <u>14,291,168</u> | <u>14,590,256</u> | <u>15,096,881</u> | <u>16,476,658</u> | <u>17,511,165</u> | <u>19,012,416</u> | <u>19,868,789</u> | <u>24,027,272</u> | <u>25,233,290</u> | <u>24,286,723</u> |
| EXPENDITURES | | | | | | | | | | |
| General government | 1,904,340 | 1,870,697 | 2,145,014 | 2,407,281 | 2,409,994 | 2,815,335 | 3,040,581 | 3,021,767 | 3,524,982 | 4,030,459 |
| Culture and recreation | 1,936,112 | 2,104,892 | 2,163,873 | 2,081,327 | 1,939,211 | 2,236,700 | 2,525,341 | 2,403,204 | 2,623,125 | 2,730,557 |
| Community development | 968,197 | 1,003,655 | 485,280 | 558,878 | 482,507 | 508,857 | 476,848 | 746,842 | 938,683 | 614,377 |
| Public Safety | 7,428,899 | 7,820,377 | 8,066,721 | 7,926,014 | 8,966,480 | 8,837,094 | 9,266,757 | 9,907,824 | 10,569,286 | 11,715,146 |
| Streets | 997,520 | 818,913 | 768,153 | 852,360 | 773,640 | 764,084 | 747,057 | 746,883 | 758,162 | 744,124 |
| Capital outlay | 3,053,778 | 1,532,290 | 1,480,185 | 2,338,141 | 2,181,502 | 5,512,163 | 6,868,498 | 8,953,478 | 7,177,073 | 2,744,531 |
| Debt service | | | | | | | | | | |
| Principal | 415,000 | 469,243 | 560,879 | 746,898 | 483,490 | 497,316 | 772,649 | 1,486,354 | 1,662,560 | 1,684,231 |
| Interest | 66,375 | 85,322 | 107,099 | 104,230 | 258,261 | 459,181 | 488,637 | 630,141 | 581,710 | 657,799 |
| Bond Issuance Costs | - | - | - | - | 262,595 | - | 41,814 | - | - | - |
| Total expenditures | <u>16,770,221</u> | <u>15,705,389</u> | <u>15,777,204</u> | <u>17,015,129</u> | <u>17,757,680</u> | <u>21,630,730</u> | <u>24,228,182</u> | <u>27,896,493</u> | <u>27,835,581</u> | <u>24,921,224</u> |
| EXCESS OF REVENUES | | | | | | | | | | |
| OVER (UNDER) EXPENDITURES | <u>\$(2,479,053)</u> | <u>\$(1,115,133)</u> | <u>\$(680,323)</u> | <u>\$(538,471)</u> | <u>\$(246,515)</u> | <u>\$(2,618,314)</u> | <u>\$(4,359,393)</u> | <u>\$(3,869,221)</u> | <u>\$(2,602,291)</u> | <u>\$(634,501)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Debt issued | - | - | 215,371 | 1,333,310 | 11,860,000 | 197,001 | 4,973,857 | 697,660 | 442,223 | 110,167 |
| Premium on Bonds | - | - | - | - | 1,021,005 | - | 157,834 | - | - | - |
| Discount on Bonds | 349,833 | 168,051 | - | - | - | - | - | - | - | - |
| Sale of Fixed Assets | 77,340 | 118,358 | 22,639 | 20,635 | 21,498 | 19,451 | 49,269 | 107,238 | 49,630 | 1,488,596 |
| Insurance proceeds | 58,576 | 18,537 | - | - | - | - | - | - | - | - |
| Transfers in | 633,870 | 729,968 | 1,666,068 | 2,036,185 | 2,513,977 | 2,773,666 | 3,543,286 | 4,783,089 | 4,916,218 | 3,626,692 |
| Transfers (out) | (375,000) | (225,489) | (915,216) | (1,635,690) | (1,071,572) | (2,212,233) | (1,820,116) | (2,595,172) | (2,317,233) | (1,245,130) |
| Total other financing sources (uses) | <u>744,619</u> | <u>809,425</u> | <u>988,862</u> | <u>1,754,440</u> | <u>14,344,908</u> | <u>777,885</u> | <u>6,904,130</u> | <u>2,992,815</u> | <u>3,090,838</u> | <u>3,980,325</u> |
| NET CHANGE IN FUND BALANCES | <u>\$(1,734,434)</u> | <u>\$(305,708)</u> | <u>\$ 308,539</u> | <u>\$ 1,215,969</u> | <u>\$ 14,098,393</u> | <u>\$(1,840,429)</u> | <u>\$ 2,544,737</u> | <u>\$(876,406)</u> | <u>\$ 488,547</u> | <u>\$ 3,345,824</u> |
| DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES | <u>3.5%</u> | <u>3.9%</u> | <u>4.7%</u> | <u>5.8%</u> | <u>6.4%</u> | <u>5.9%</u> | <u>7.5%</u> | <u>11.2%</u> | <u>10.9%</u> | <u>10.6%</u> |

Source: City Audited Financials.

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City of Stephenville, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years (Unaudited)

| Tax Year | Fiscal Year | Taxes Levied for the Fiscal Year | Subsequent Adjustments To Levy | Final Adjusted Levy | Collected With the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | | Outstanding as of 9/30/25 |
|----------|-------------|----------------------------------|--------------------------------|---------------------|--|--------------------|---------------------------------|---------------------------|--------------------|---------------------------|
| | | | | | Amount | Percentage of Levy | | Amount | Percentage of Levy | |
| 2015 | 2015-2016 | 5,195,573 | (9,867) | 5,185,706 | 5,141,402 | 98.96% | 38,076 | 5,179,478 | 99.69% | 6,228 |
| 2016 | 2016-2017 | 5,351,990 | (99,594) | 5,252,396 | 5,204,383 | 97.24% | 47,074 | 5,251,457 | 98.12% | 939 |
| 2017 | 2017-2018 | 5,774,003 | (74,086) | 5,699,917 | 5,710,836 | 98.91% | (13,196) | 5,697,640 | 98.68% | 2,276 |
| 2018 | 2018-2019 | 6,039,033 | (28,140) | 6,010,893 | 5,994,513 | 99.26% | 14,693 | 6,009,206 | 99.51% | 1,687 |
| 2019 | 2019-2020 | 6,489,897 | (134,496) | 6,355,401 | 6,234,838 | 96.07% | 118,276 | 6,353,114 | 97.89% | 2,287 |
| 2020 | 2020-2021 | 6,619,550 | (39,662) | 6,579,888 | 6,507,012 | 98.30% | 70,655 | 6,577,667 | 99.37% | 2,221 |
| 2021 | 2021-2022 | 6,783,557 | (153,093) | 6,630,464 | 6,609,695 | 97.44% | 15,893 | 6,625,588 | 97.67% | 4,876 |
| 2022 | 2022-2023 | 7,384,954 | (226,773) | 7,158,181 | 7,120,615 | 96.42% | 27,213 | 7,147,828 | 96.79% | 10,353 |
| 2023 | 2023-2024 | 7,480,394 | (11,428) | 7,468,966 | 7,412,843 | 99.10% | 26,912 | 7,439,755 | 99.46% | 29,210 |
| 2024 | 2024-2025 | 7,933,816 | (3,625) | 7,930,191 | 7,814,807 | 98.50% | - | 7,814,807 | 98.50% | 115,744 |

Sources: Erath County Appraisal District and Erath County Tax Assessor-Collector.

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City of Stephenville, Texas
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years (Unaudited)

| Tax Year | Fiscal Year | Residential Property | Commercial Property | Industrial Property | Less: Tax-exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Taxable Assessed Value as a Percentage of Actual Taxable Value |
|-----------------|--------------------|-----------------------------|----------------------------|----------------------------|----------------------------------|-------------------------------------|------------------------------|---------------------------------------|---|
| 2015 | 2015-2016 | 636,597,500 | 768,186,520 | 268,319,490 | 609,847,714 | 1,063,255,796 | 0.4900 | 1,063,255,796 | 100% |
| 2016 | 2016-2017 | 657,717,227 | 785,853,463 | 259,118,010 | 627,870,983 | 1,074,817,717 | 0.4900 | 1,074,817,717 | 100% |
| 2017 | 2017-2018 | 753,358,500 | 824,711,040 | 245,604,310 | 617,069,492 | 1,206,604,358 | 0.4800 | 1,206,604,358 | 100% |
| 2018 | 2018-2019 | 776,693,310 | 841,695,300 | 304,695,430 | 651,711,851 | 1,271,372,189 | 0.4750 | 1,271,372,189 | 100% |
| 2019 | 2019-2020 | 826,226,780 | 883,238,110 | 346,709,950 | 675,346,485 | 1,380,828,355 | 0.4700 | 1,380,828,355 | 100% |
| 2020 | 2020-2021 | 887,954,420 | 952,950,260 | 293,836,870 | 679,895,887 | 1,454,845,663 | 0.4550 | 1,454,845,663 | 100% |
| 2021 | 2021-2022 | 958,911,760 | 981,246,130 | 301,952,860 | 707,326,188 | 1,534,784,562 | 0.4420 | 1,534,784,562 | 100% |
| 2022 | 2022-2023 | 1,238,798,090 | 1,052,746,880 | 287,219,140 | 726,231,949 | 1,852,532,161 | 0.3958 | 1,852,532,161 | 100% |
| 2023 | 2023-2024 | 1,383,780,600 | 1,121,774,700 | 250,011,300 | 806,456,923 | 1,949,109,677 | 0.3872 | 1,949,109,677 | 100% |
| 2024 | 2024-2025 | 1,503,784,040 | 1,153,991,080 | 257,200,240 | 807,478,863 | 2,107,496,497 | 0.3829 | 2,107,496,497 | 100% |

Source: Erath County Appraisal District.

City of Stephenville, Texas
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years (Unaudited)

| Tax Year | Fiscal Year | City Direct Rates | | | Overlapping Rates | | | Total Direct and Overlapping Rates |
|----------|-------------|-------------------|---------------------------------|-------------------|------------------------------|-------------------------------|--------------|------------------------------------|
| | | Basic Rate | General Obligation Debt Service | Total Direct Rate | Stephenville School District | Middle Trinity Water District | Erath County | |
| 2015 | 2015-2016 | 0.4450 | 0.0450 | 0.4900 | 1.2349 | 0.0115 | 0.4700 | 2.2064 |
| 2016 | 2016-2017 | 0.4454 | 0.0446 | 0.4900 | 1.2349 | 0.0112 | 0.4700 | 2.2061 |
| 2017 | 2017-2018 | 0.4391 | 0.0409 | 0.4800 | 1.2349 | 0.0103 | 0.4700 | 2.1952 |
| 2018 | 2018-2019 | 0.4384 | 0.0366 | 0.4750 | 1.3429 | 0.0097 | 0.4458 | 2.2734 |
| 2019 | 2019-2020 | 0.4512 | 0.0188 | 0.4700 | 1.2729 | 0.0094 | 0.4560 | 2.2083 |
| 2020 | 2020-2021 | 0.4368 | 0.0182 | 0.4550 | 1.2221 | 0.0092 | 0.4444 | 2.1307 |
| 2021 | 2021-2022 | 0.4245 | 0.0175 | 0.4420 | 1.1922 | 0.0085 | 0.4355 | 2.0782 |
| 2022 | 2022-2023 | 0.3812 | 0.0146 | 0.3958 | 1.1474 | 0.0073 | 0.4119 | 1.9624 |
| 2023 | 2023-2024 | 0.3714 | 0.0158 | 0.3872 | 0.9857 | 0.0065 | 0.3927 | 1.7721 |
| 2024 | 2023-2024 | 0.3680 | 0.0149 | 0.3829 | 0.9597 | 0.0061 | 0.3913 | 1.7400 |

Source: Erath County Tax Office and Texas Comptroller of Public Accounts website.

Notes: The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

Overlapping rates are those of local and county governments that apply to property owners within the City of Stephenville, Texas.

City of Stephenville, Texas
PRINCIPAL PROPERTY TAX PAYERS
Current and Nine Years Ago (Unaudited)

| Taxpayer | Tax Year 2024 | | | Tax Year 2015 | | |
|---|------------------------|---|---------|------------------------|---|---------|
| | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value | | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value | |
| FMC Technologies Inc. | \$ 162,683,300 | 1 | 7.72% | \$ 69,003,474 | 1 | 6.49% |
| Saint Gobain Abrasives | 45,276,490 | 2 | 2.15% | 7,989,877 | 10 | 0.75% |
| Creekside Townhomes | 33,790,520 | 3 | 1.60% | - | | - % |
| Oncor Electric Delivery | 27,723,480 | 4 | 1.32% | 8,391,000 | 8 | 0.79% |
| Windmass Villiage III Portfolio Owner LLC | 25,117,040 | 5 | 1.19% | - | | - % |
| GPI Mustang LLC | 20,581,810 | 6 | 0.98% | 17,575,190 | 3 | 1.65% |
| Stephenville Chr Campus Crest LLC | 20,294,380 | 7 | 0.96% | 9,460,960 | 6 | 0.89% |
| Tarleton Development Partners LLC | 17,535,800 | 8 | 0.83% | - | | - % |
| CTAP LLC | 16,812,640 | 9 | 0.80% | - | | - % |
| STX Washington Partners | 16,313,590 | 10 | 0.77% | - | | - % |
| Tejas Tubular Inc. | - | | - % | 19,374,368 | 2 | 1.82% |
| DB Bosque LLC | - | | - % | 11,057,310 | 5 | 1.04% |
| Wal-Mart Stores Texas | - | | - % | 8,876,500 | 7 | 0.83% |
| Bosque River Center Real Estate | - | | - % | 8,221,950 | 9 | 0.77% |
| FMC Technologies Inc.#2 | - | | - % | 13,480,450 | 4 | 1.27% |
| Subtotal | \$ 386,129,050 | | 18.32% | \$ 173,431,079 | | 16.30% |
| Remaining Roll | 1,721,367,447 | | 81.68% | 889,824,717 | | 83.70% |
| Total | \$ 2,107,496,497 | | 100.00% | \$ 1,063,255,796 | | 100.00% |

Source: Erath County Appraisal District State Property Tax Board Report.

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City of Stephenville, Texas
TAXABLE SALES BY CATEGORY
Last Ten Tax Years (Unaudited)

| Category | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|--|---------------------------------------|--|--|--|---------------------------------------|---------------------------------------|--|--|--|
| Agriculture/Forestry/Fishing/ Hunting | \$ 131,950 | \$ 87,089 | \$ 153,536 | \$ - | \$ - | \$ - | \$ 121,379 | \$ 41,700 | \$ 168,035 | \$ 197,038 |
| Construction | 39,881,127 | 36,567,165 | 32,516,125 | 42,601,728 | 32,014,392 | 23,392,344 | 29,004,497 | 41,528,544 | 39,672,071 | 36,662,815 |
| Admin/Support/Waste Mgmt/Remediation Services | 2,219,030 | 8,298,359 | 8,857,223 | 12,539,339 | 13,181,474 | 18,201,472 | 18,749,845 | 20,813,371 | 21,823,959 | 21,870,189 |
| Manufacturing | 44,597,904 | 37,443,956 | 41,376,240 | 45,379,899 | 54,955,486 | 30,528,469 | 32,806,051 | 185,024,621 | 113,748,680 | 83,840,246 |
| Transportation/Warehousing Other Services (except Public Administration) | 315,510 42,422,359 | 397,349 32,946,059 | 290,487 37,955,138 | 118,403 38,531,657 | 117,765 31,426,342 | 220,966 41,212,028 | - 215,254,337 | 351,277 36,815,611 | 622,727 41,131,296 | 419,029 13,554,828 |
| Arts/Entertainment/Recreat. Retail Trade | 2,723,168 449,734,022 | 1,834,258 439,009,587 | 2,469,255 477,496,588 | 2,474,510 462,157,087 | 3,552,671 466,375,220 | 2,721,134 486,610,559 | 4,420,515 606,470,347 | 3,060,018 685,468,221 | 3,415,530 726,765,039 | 3,705,011 763,168,665 |
| Educational Services Accommodation/Food Services | 4,920,150 63,590,052 | 4,896,741 68,774,025 | 13,259,858 70,136,917 | 9,242,722 75,769,971 | 14,504,752 79,629,059 | 6,509,132 73,948,236 | 17,416,581 92,511,577 | 20,846,575 99,641,115 | 22,565,381 113,751,793 | 23,913,534 118,114,564 |
| Information | 24,513,446 | 23,896,855 | 22,212,287 | 20,749,399 | 12,745,599 | 8,399,900 | 7,913,557 | 8,880,889 | 9,713,429 | 8,694,092 |
| Health Care/Social Assistance Finance/Insurance | 23,359,956 604,047 | 22,924,772 573,992 | 21,777,157 2,705,723 | 22,138,897 709,747 | 16,388,858 938,961 | 12,333,983 1,167,549 | 13,459,217 1,560,277 | 15,498,421 1,340,502 | 15,240,833 1,688,558 | 14,878,978 1,786,856 |
| Wholesale Trade Real Estate/Rental/Leasing Mining/Quarrying/Oil and Gas Extraction | 48,009,817 2,640,004 126,835,036 | 47,000,406 2,331,487 51,634,730 | 51,525,032 2,310,030 158,274,264 | 57,421,775 3,050,684 205,645,499 | 62,100,066 3,233,114 147,983,777 | 65,089,473 3,717,946 47,065,000 | 77,228,448 4,604,040 63,805,788 | 84,848,120 5,610,410 726,319,913 | 89,704,753 5,872,976 856,487,166 | 83,214,619 6,413,165 1,095,853,918 |
| Professional/Scientific/Tech. Services | 18,353,588 | 17,353,379 | 19,929,309 | 20,754,842 | 16,539,730 | 16,204,866 | 15,496,333 | 13,963,795 | 11,254,245 | 11,499,489 |
| Unclassified | 3,256,157 | 8,227,940 | 115,792 | 4,215,376 | 450,194 | 8,049,745 | 2,436,659 | 2,677,026 | 2,419,925 | 31,343,805 |
| Agriculture | - | - | - | - | - | - | - | - | - | - |
| Total Gross Sales | \$ 898,107,323 | \$ 804,198,149 | \$ 963,360,961 | \$ 1,023,501,535 | \$ 956,137,460 | \$ 845,372,802 | \$ 1,203,259,448 | \$ 1,952,730,129 | \$ 2,076,046,396 | \$ 2,319,130,841 |
| Less: Sales not subject to tax | 560,846,787 | 479,729,489 | 636,304,337 | 678,355,051 | 609,419,518 | 508,916,373 | 790,602,662 | 1,468,840,413 | 1,580,068,261 | 1,804,403,930 |
| Taxable Sales | \$ 337,260,536 | \$ 324,468,660 | \$ 327,056,624 | \$ 345,146,484 | \$ 346,717,942 | \$ 336,456,429 | \$ 412,656,786 | \$ 483,889,716 | \$ 495,978,135 | \$ 514,726,911 |
| Direct Sales Tax Rate | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |

Source: Office of the Comptroller of the State of Texas

City of Stephenville, Texas
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years (Unaudited)

| | General Municipal Sales Tax | Sales Tax for Property Tax Relief | Sales Tax for Economic/ Industrial Dev Sec 4B |
|------|--|--|--|
| 2016 | 1.000% | 0.375% | 0.125% |
| 2017 | 1.000% | 0.375% | 0.125% |
| 2018 | 1.000% | 0.375% | 0.125% |
| 2019 | 1.000% | 0.375% | 0.125% |
| 2020 | 1.000% | 0.375% | 0.125% |
| 2021 | 1.000% | 0.375% | 0.125% |
| 2022 | 1.000% | 0.375% | 0.125% |
| 2023 | 1.000% | 0.375% | 0.125% |
| 2024 | 1.000% | 0.375% | 0.125% |
| 2025 | 1.000% | 0.375% | 0.125% |

Source: Texas Comptroller.

City of Stephenville, Texas
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years (Unaudited)

| Fiscal Year | Governmental Activities | | | | Business-type Activities | | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|--------------------------|----------------------------|----------------------------------|---------------|--------------------------|----------------------------|----------------------------------|---------------|--------------------------|-------------------------------|------------|
| | General Obligation Bonds | Certificates of Obligation | Unamortized Premiums (Discounts) | Leases/ Notes | Water Revenue Bonds | Certificates of Obligation | Unamortized Premiums (Discounts) | Notes/ Leases | | | |
| 2016 | \$ 905,000 | \$ 3,015,000 | \$ 16,709 | \$ 436,510 | \$ 8,390,000 | \$ 3,774,827 | \$ 198,922 | \$ 2,833,134 | \$ 19,570,101 | 2.56% | 904 |
| 2017 | 610,000 | 2,920,000 | 14,683 | 525,318 | 6,720,000 | 5,568,827 | 186,866 | 3,131,370 | 19,677,064 | 2.39% | 896 |
| 2018 | 310,000 | 2,855,000 | 13,671 | 544,810 | 5,040,000 | 22,340,000 | 174,811 | 2,028,635 | 33,306,927 | 3.77% | 1,495 |
| 2019 | - | 2,785,000 | 12,659 | 1,511,222 | 3,325,000 | 22,100,000 | 162,757 | 1,730,829 | 31,627,467 | 3.33% | 1,396 |
| 2020 | - | 14,465,000 | 1,007,127 | 1,207,732 | 3,250,000 | 20,860,000 | 150,700 | 1,415,018 | 42,355,577 | 4.50% | 2,027 |
| 2021 | - | 14,275,000 | 955,065 | 1,091,117 | 3,175,000 | 19,610,000 | 138,645 | 1,080,409 | 40,325,236 | 4.06% | 1,935 |
| 2022 | - | 15,960,000 | 1,056,890 | 3,601,025 | 2,825,000 | 37,185,000 | 1,921,948 | 751,680 | 63,301,543 | 5.88% | 2,996 |
| 2023 | - | 15,225,000 | 996,936 | 4,277,414 | 2,770,000 | 35,510,000 | 1,806,467 | 1,373,828 | 61,959,645 | 5.52% | 2,940 |
| 2024 | - | 14,435,000 | 632,496 | 3,847,077 | 2,715,000 | 33,575,000 | 1,497,663 | 847,742 | 57,549,978 | 4.74% | 2,708 |
| 2025 | - | 13,615,000 | 530,037 | 3,059,709 | 2,655,000 | 31,210,000 | 1,300,586 | 694,781 | 53,065,113 | N/A | 2,467 |

Notes: See Demographic and Economic Statistics Table for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
Personal income is not available for 2025.

City of Stephenville, Texas
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years (Unaudited)

| Fiscal Year | General Bonded Debt Outstanding | | | Percentage of Actual Taxable Value of Property | Per Capita |
|-------------|---------------------------------|-----------------------------|------------|--|------------|
| | General Obligation Bonds | Certificates of Obligations | Total | | |
| 2016 | 921,709 | 6,789,827 | 7,711,536 | 0.73% | 356 |
| 2017 | 624,683 | 8,488,827 | 9,113,510 | 0.85% | 415 |
| 2018 | 323,671 | 25,195,000 | 25,518,671 | 2.11% | 1,145 |
| 2019 | 12,659 | 24,885,000 | 24,897,659 | 1.96% | 1,099 |
| 2020 | 11,645 | 36,320,482 | 36,332,127 | 2.63% | 1,739 |
| 2021 | 10,633 | 34,829,432 | 34,840,065 | 2.39% | 1,672 |
| 2022 | 9,620 | 56,097,691 | 56,107,311 | 3.66% | 2,656 |
| 2023 | 8,607 | 53,514,846 | 53,523,453 | 2.89% | 2,539 |
| 2024 | 7,595 | 50,119,188 | 50,126,783 | 2.57% | 2,358 |
| 2025 | 6,583 | 46,637,236 | 46,643,819 | 2.21% | 2,168 |

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See Assessed Value and Estimated Actual Value of Taxable Property table for property value data.

Population data can be found in Demographic and Economic Statistics table

City of Stephenville, Texas
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2025 (Unaudited)

| Government Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Direct and Overlapping Debt |
|--|-----------------------------|--|---|
| Debt repaid with property taxes: | | | |
| Overlapping | | | |
| Stephenville Independent School District | \$ 104,983,431 | 66.17% | \$ 69,467,536 |
| Subtotal, overlapping debt | | | 69,467,536 |
| Direct | | | |
| City of Stephenville | \$ 17,204,743 | 100.00% | 17,204,743 |
| Total Direct and Overlapping Debt | | | \$ 86,672,279 |

Sources:

Assessed value data used to estimate applicable percentages provided by the Erath County Appraisal District and Assessment Debt outstanding data provided by each governmental unit.

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Stephenville. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident--and therefore responsible for repaying the debt--of each overlapping government.

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City of Stephenville, Texas
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years (Unaudited)
(amounts expressed in thousands)

| Tax Year | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Fiscal year | 2024-2025 | 2023-2024 | 2022-2023 | 2021-2022 | 2020-2021 | 2019-2020 | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 |
| Debt limit | \$ 233,877 | \$ 217,909 | \$ 202,537 | \$ 169,296 | \$ 160,740 | \$ 157,749 | \$ 145,165 | \$ 135,754 | \$ 124,250 | \$ 122,554 |
| Total net debt applicable to limit | 46,369 | 49,894 | 53,326 | 55,909 | 15,029 | 15,257 | 2,591 | 2,981 | 3,389 | 3,793 |
| Legal debt margin | \$ 187,508 | \$ 168,015 | \$ 149,211 | \$ 113,387 | \$ 145,711 | \$ 142,492 | \$ 142,574 | \$ 132,773 | \$ 120,861 | \$ 118,762 |
| Total net debt applicable to limit as a percentage of debt limit | 19.83% | 22.90% | 26.33% | 33.02% | 9.35% | 9.67% | 1.78% | 2.20% | 2.73% | 3.09% |

Legal Debt Margin Calculation for Fiscal Year 2025

| | |
|--|-------------------|
| Assessed value | \$ 2,107,496 |
| Add back: exempt real property | 231,277 |
| Total assessed value | <u>2,338,773</u> |
| Debt limit (10% of total assessed value) | 233,877 |
| Debt applicable to limit: | |
| General obligation bonds | 46,644 |
| Less: Amount set aside for repayment of general obligation debt | <u>(275)</u> |
| Total net debt applicable to limit | <u>46,369</u> |
| Legal debt margin | <u>\$ 187,508</u> |

Note: There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), that limits the maximum tax rate, for all city purposes, to \$2.50 per \$100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for general obligation debt service.

Source: City of Stephenville, TX and Erath County Appraisal District.

City of Stephenville, Texas
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years (Unaudited)

Water and Wastewater Revenue Bonds

| Fiscal Year | Utility Service Charges | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|-------------|-------------------------|--------------------------|-----------------------|--------------|-----------|----------|
| | | | | Principal | Interest | |
| 2016 | 7,014,095 | 4,115,398 | 2,898,697 | 2,076,000 | 351,427 | 1.19 |
| 2017 | 7,264,479 | 4,095,335 | 3,169,144 | 1,911,000 | 319,806 | 1.42 |
| 2018 | 7,694,695 | 3,022,451 | 4,672,244 | 1,938,827 | 331,249 | 2.06 |
| 2019 | 7,962,268 | 3,917,609 | 4,044,659 | 1,955,000 | 424,112 | 1.70 |
| 2020 | 8,322,481 | 3,741,298 | 4,581,183 | 1,315,000 | 411,005 | 2.65 |
| 2021 | 9,044,632 | 3,753,322 | 5,291,310 | 1,325,000 | 375,420 | 3.11 |
| 2022 | 10,724,825 | 4,383,743 | 6,341,082 | 4,455,000 | 634,099 | 1.25 |
| 2023 | 11,319,092 | 4,996,812 | 6,322,280 | 1,730,000 | 1,321,324 | 2.07 |
| 2024 | 11,416,972 | 5,098,204 | 6,318,768 | 1,990,000 | 1,058,089 | 2.07 |
| 2025 | 12,271,298 | 5,801,397 | 6,469,901 | 2,425,000 | 1,012,499 | 1.88 |

Notes: Operating expenses do not include interest, depreciation, or amortization expenses.
Utility Surplus Revenue is also pledged for other Enterprise bonds.

Source City ACFR.

City of Stephenville, Texas
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years (Unaudited)

| <u>Calendar Year</u> | <u>Population</u> | <u>Personal Income</u> | <u>Per Capita Personal Income</u> | <u>School Enrollment</u> | <u>College Enrollment</u> | <u>Unemployment Rate</u> |
|----------------------|-------------------|------------------------|-----------------------------------|--------------------------|---------------------------|--------------------------|
| 2016 | 21,640 | 763,545,760 | 35,284 | 3,614 | 12,333 | 4.7% |
| 2017 | 21,950 | 823,168,900 | 37,502 | 3,671 | 13,052 | 3.9% |
| 2018 | 22,280 | 883,156,920 | 39,639 | 3,711 | 13,019 | 3.2% |
| 2019 | 22,660 | 948,774,200 | 41,870 | 3,842 | 13,226 | 3.1% |
| 2020 | 20,897 | 942,224,833 | 45,089 | 3,659 | 14,022 | 5.8% |
| 2021 | 20,840 | 993,505,320 | 47,673 | 3,622 | 13,995 | 4.1% |
| 2022 | 21,127 | 1,076,103,745 | 50,935 | 3,695 | 14,092 | 3.3% |
| 2023 | 21,078 | 1,122,129,486 | 53,237 | 3,730 | 14,513 | 3.5% |
| 2024 | 21,254 | 1,213,858,448 | 57,112 | 3,678 | 17,258 | 3.5% |
| 2025 | 21,512 | N/A | N/A | 3,518 | 19,666 | 3.9% |

Sources: Population estimate provided by the North Central Texas Council of Governments. Personal income data provided by the U.S. Census Bureau of Economic Analysis. Unemployment rate data provided by the Texas Workforce Commission. School enrollment data provided by the Stephenville Independent School District and Tarleton State University.

Note: Per capita personal income was computed using Census Bureau midyear population estimates. . Personal income is not available for 2025

City of Stephenville, Texas

PRINCIPAL EMPLOYERS

Current and Nine Years Ago (Unaudited)

| Employer | 2025 | | | 2016 | | |
|--|-----------|------|---|-----------|------|---|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Tarleton State University | 1,480 | 1 | 6.68% | 2,646 | 1 | 13.93% |
| Schreiber Foods | 560 | 2 | 2.53% | 400 | 5 | 2.11% |
| Stephenville Independent School District | 491 | 3 | 2.22% | 482 | 2 | 2.54% |
| Saint Gobain Abrasives | 405 | 4 | 1.83% | 460 | 3 | 2.42% |
| FMC Company | 320 | 5 | 1.44% | 420 | 4 | 2.21% |
| Wal-Mart Stores, Inc. | 300 | 6 | 1.35% | 350 | 6 | 1.84% |
| Texas Health Harris Methodist Stephenville | 300 | 7 | 1.35% | 281 | 7 | 1.48% |
| Erath County | 268 | 8 | 1.21% | 195 | 8 | 1.03% |
| Western Dairy Transport | 210 | 9 | 0.95% | 190 | 9 | 1.00% |
| Pecan Valley Centers | 210 | 10 | 0.95% | - | | - |
| City of Stephenville | - | | - | 149 | 10 | 0.78% |
| Subtotal | 4,544 | | 20.51% | 5,573 | | 29.34% |
| Remaining Employers (County) | 17,609 | | 79.49% | 13,424 | | 70.66% |
| Total | 22,153 | | 100.00% | 18,997 | | 100.00% |

Source: Tarleton State University, Stephenville Independent School District, Erath County, Stephenville Economic Development Authority, and Stephenville Chamber of Commerce. Total employee data is provided by the Texas Workforce Commission.

Notes:

Total employee information is based on entire Erath County. Principal employers are only those that operate from within the corporate city limits of Stephenville.

City of Stephenville, Texas

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| General government | | | | | | | | | | |
| Management services | 5 | 5 | 5 | 8 | 9 | 8 | 9 | 9 | 10 | 11 |
| Finance | 7 | 7 | 7 | 9 | 9 | 8 | 9 | 10 | 10 | 11 |
| Planning | 2 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 |
| Building | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Other | 2 | 2 | 3 | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| Police | | | | | | | | | | |
| Officers | 39 | 39 | 39 | 39 | 39 | 39 | 40 | 40 | 42 | 42 |
| Civilians | 15 | 17 | 17 | 19 | 19 | 19 | 19 | 19 | 20 | 20 |
| Fire | | | | | | | | | | |
| Firefighters and officers | 31 | 31 | 31 | 31 | 31 | 34 | 34 | 35 | 36 | 36 |
| Civilians | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parks and recreation | 12 | 14 | 14 | 14 | 14 | 14 | 16 | 17 | 18 | 17 |
| Library | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Streets | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Water | 16 | 15 | 15 | 15 | 15 | 15 | 16 | 20 | 21 | 23 |
| Wastewater | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Landfill | 3 | 3 | 3 | 3 | 3 | 4 | 5 | 5 | 5 | 5 |
| Airport | - | - | - | - | - | - | - | 1 | 1 | 1 |
| Total | 150 | 155 | 157 | 163 | 164 | 168 | 175 | 184 | 191 | 194 |

Source: Current year approved budget

Notes: A full time employee is scheduled to work 2080 hours per year (including vacation and sick leave).

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City of Stephenville, Texas
OPERATING INDICATORS BY FUNCTIONS/PROGRAM
Last Ten Fiscal Years (Unaudited)

| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| General government | | | | | | | | | | |
| Building permits issued | 146 | 127 | 197 | 205 | 220 | 241 | 291 | 223 | 192 | 231 |
| Building permits value | \$41,143,042 | \$22,331,535 | \$24,569,365 | \$71,952,765 | \$21,765,542 | \$36,545,036 | \$63,214,568 | \$38,369,566 | \$117,539,675 | \$75,588,524 |
| Police | | | | | | | | | | |
| Calls for service | 12,378 | 12,044 | 13,785 | 15,369 | 15,135 | 14,775 | 25,050 | 22,765 | 24,481 | 23,866 |
| Physical arrests | 643 | 696 | 742 | 687 | 487 | 455 | 364 | 783 | 915 | 561 |
| Parking violations (1) | 858 | 830 | 177 | 130 | 407 | 75 | 150 | 149 | 276 | 340 |
| Traffic violations | 3,816 | 3,470 | 3,767 | 3,207 | 2,571 | 2,221 | 945 | 2,550 | 2,525 | 2,176 |
| Fire | | | | | | | | | | |
| Ambulance responses | 1,897 | 1,767 | 1,842 | 1,876 | 1,787 | 1,869 | 1,769 | 1,927 | 1,754 | 1,971 |
| Fires responses | 303 | 313 | 385 | 479 | 421 | 605 | 968 | 1,163 | 1,124 | 856 |
| Inspections | 400 | 393 | 392 | 293 | 455 | 376 | 574 | 540 | 656 | 667 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (tons) | 21,676 | 19,229 | 19,689 | 21,092 | 20,873 | 16,768 | 21,053 | 23,381 | 23,247 | 29,898 |
| Recyclables collected (tons per day) | | | | | | | | | | |
| Other public works | | | | | | | | | | |
| Street resurfacing (miles) | 17.90 | 8.77 | 10.62 | 10.38 | - | 15.40 | 5.23 | 5.34 | 1.46 | - |
| Library | | | | | | | | | | |
| Volumes in collection | 37,416 | 38,685 | 40,041 | 40,167 | 39,636 | 38,219 | 34,589 | 36,169 | 34,178 | 34,883 |
| Total volumes borrowed | 37 | 199 | 138 | 111 | 113 | 862 | 3,395 | 4,008 | 3,778 | 2,864 |
| Water | | | | | | | | | | |
| Active connections | 6,495 | 6,625 | 6,813 | 6,435 | 6,519 | 6,630 | 6,808 | 6,799 | 6,831 | 6,919 |
| Water main breaks | 39 | 30 | 23 | 45 | 38 | 45 | 37 | 26 | 30 | 58 |
| Average daily consumption (thousands of gallons) | 1,997,000 | 1,932,000 | 2,117,000 | 1,893,000 | 2,000,000 | 2,101,000 | 2,131,000 | 2,218,000 | 1,989,750 | 1,987,706 |
| Peak daily consumption (thousands of gallons) | 3,872,000 | 2,985,000 | 3,703,000 | 3,352,000 | 3,493,000 | 3,742,000 | 3,600,000 | 3,881,000 | 3,322,000 | 3,162,000 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 1,720,000 | 1,380,000 | 1,310,000 | 1,667,000 | 1,368,000 | 1,320,000 | 1,306,000 | 1,770,000 | 2,040,833 | 1,490,000 |
| WW Peak | 9,350,000 | 6,597,000 | 6,800,000 | 7,220,000 | 3,560,000 | 1,910,000 | 5,730,000 | 3,840,000 | 5,240,000 | 4,160,000 |
| Airport | | | | | | | | | | |
| Aircraft operations | 6,018 | 5,724 | 5,530 | 5,757 | 5,651 | 5,718 | 5,329 | 7,483 | 9,769 | 12,894 |
| Municipal Court | | | | | | | | | | |
| New cases (2) | - | - | - | - | 1,226 | 963 | 1,829 | 2,636 | 2,499 | 2,488 |
| Disposed cases | - | - | - | - | 741 | 654 | 1,225 | 2,151 | 1,010 | 2,374 |

(1) 2011 through 2017 represents the calls for parking violations, which could be significantly higher than actual citations issued. Due to new software, 2018 represents the actual citations issued for parking violations.

(2) The City of Stephenville contracted with Erath County Justice of the Peace precinct 1, 3, 4 for Municipal Court services until 9/30/19. The new cases for 2020 include cases transferred from the Justice of the Peace.

Source: Various City departments

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City of Stephenville, Texas
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years (Unaudited)

| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 10 | 11 | 11 | 11 | 12 | 12 | 12 | 14 | 14 | 14 |
| Fire | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Other public works | | | | | | | | | | |
| Streets (miles) | 93 | 93 | 93 | 91 | 91 | 91 | 92 | 92 | 92 | 90 |
| Highways (miles) | 23 | 23 | 23 | 23 | 23 | 23 | 22 | 22 | 22 | 22 |
| Streetlights | 1,149 | 1,156 | 1,164 | 1,168 | 1,160 | 1,160 | 1,173 | 1,175 | 1,173 | 1,208 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 142 | 142 | 142 | 142 | 147 | 160 | 160 | 160 | 160 | 160 |
| Playgrounds | 4 | 4 | 4 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Baseball/softball diamonds | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 10 | 10 | 10 |
| Soccer/football fields | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Skate park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Outdoor aquatic center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Community centers | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Water | | | | | | | | | | |
| Water mains (miles) | 126 | 128 | 131 | 131 | 135 | 135 | 136 | 136 | 138.7 | 146 |
| Fire hydrants | 801 | 816 | 816 | 863 | 863 | 831 | 859 | 876 | 892 | 888 |
| Storage capacity (thousands of gallons) | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,750,000 | 5,500,000 | 5,500,000 | 6,250,000 | 7,250,000 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 116 | 116 | 117 | 117 | 117 | 118 | 118 | 118 | 121.3 | 121.3 |
| Storm sewers (miles) | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 | 4.9 | 5.6 | 7.1 | 8.34 | 8.34 |
| Treatment capacity (thousands of gallons) | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 |

Source: Various City departments

Note: No capital asset indicators are available for the general government or library function.

SUBJECT: ASSESSMENT RESOLUTION FOR STEERING COMMITTEE OF CITIES SERVED BY ONCOR

DEPARTMENT: City Administration

STAFF CONTACT: Jason King, City Manager

PURPOSE:

Most municipalities have retained original jurisdiction over gas utility rates and services within municipal limits. The Atmos Cities Steering Committee (“ACSC”) is composed of 188 municipalities in the service area of Atmos Energy Corporation, Mid-Tex Division that have retained original jurisdiction. Atmos is a monopoly provider of natural gas. Because Atmos has no competitors, regulation of the rates that it charges its customers is the only way that cities can ensure that natural gas rates are fair. Working as a coalition to review the rates charged by Atmos allows cities to accomplish more collectively than each city could do acting alone. Cities have more than 100 years experience in regulating natural gas rates in Texas.

ACSC is the largest coalition of cities served by Atmos Mid-Tex. There are 188 ACSC member cities, which represent more than 70 percent of the total load served by Atmos-Mid Tex. ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of residential and small commercial customers within the cities. Although many of the activities undertaken by ACSC are connected to rate cases (and therefore expenses are reimbursed by the utility), ACSC also undertakes additional activities on behalf of municipalities for which it needs funding support from its members.

BACKGROUND:

ACSC is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Atmos within the City. These activities will continue throughout the calendar year. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that ACSC be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

EXPLANATION OF “BE IT RESOLVED” PARAGRAPHS:

- I. This paragraph authorizes the continuation of the City’s membership in ACSC.
- II. This paragraph authorizes payment of the City’s assessment to the ACSC in the amount of four cents (\$0.04) per capita.

III. This paragraph requires notification that the City has adopted the Resolution.

PAYMENT OF ASSESSMENT:

The assessment payment check should be made out to “City of Arlington, C/O *Atmos Cities Steering Committee* and mailed to City of Arlington, C/O Brandi Stigler, Atmos Cities Steering Committee, PO Box 90231, Arlington, Texas 76004

RESOLUTION NO. 2026-R-_____

A RESOLUTION AUTHORIZING MEMBERSHIP IN THE ATMOS CITIES STEERING COMMITTEE; AND AUTHORIZING THE PAYMENT OF FOUR CENTS PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION

WHEREAS, the City of Stephenville is a regulatory authority under the Gas Utility Regulatory Act (GURA) and has exclusive original jurisdiction over the rates and services of Atmos Energy Corporation, Mid-Tex Division (Atmos) within the municipal boundaries of the city; and

WHEREAS, the Atmos Cities Steering Committee (ACSC) has historically intervened in Atmos rate proceedings and gas utility related rulemakings to protect the interests of municipalities and gas customers residing within municipal boundaries; and

WHEREAS, ACSC is participating in Railroad Commission dockets and projects, as well as court proceedings and legislative activities, affecting gas utility rates; and

WHEREAS, the City would like to become a member of ACSC; and

WHEREAS, in order for ACSC to continue its participation in these activities which affects the provision of gas utility service and the rates to be charged, it must assess its members for such costs; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS:

I.

That the City is authorized to become a member in the Atmos Cities Steering Committee to protect the interests of the City of Stephenville and protect the interests of the customers of Atmos Energy Corporation, Mid-Tex Division residing and conducting business within the City limits.

II.

The City is further authorized to pay its 2026 assessment to the ACSC in the amount of four cents (\$0.04) per capita.

III.

A copy of this Resolution and approved assessment fee payable to City of Arlington, C/O *Atmos Cities Steering Committee* shall be sent to:

City of Arlington
Attn: Brandi Stigler
C/O Atmos Cities Steering Committee
PO Box 90231
Arlington, Texas 76004

PRESENTED AND PASSED on this the 7th day of April 2026, by a vote of _____ ayes and _____ nays at a regular meeting of the City Council of the City of Stephenville, Texas.

Lonn Reisman, Mayor

ATTEST:

Sarah Lockenour, City Secretary

Reviewed by Jason King,
City Manager

Randy Thomas, City Attorney
Approved as to form and legality

City of Arlington
 C/O Atmos Cities Steering Committee
 Attn: Brandi Stigler
 PO Box 90231
 Arlington, TX 76004

Invoice

| Date | Invoice # |
|----------|-----------|
| 2/4/2026 | 26-149 |

| |
|----------------------|
| Bill To |
| City of Stephenville |

| Item | Population | Per Capita | Amount |
|--|------------|------------|-----------------------|
| 2026 Membership Assessment | 21,946 | 0.04 | 877.84 |
| Please make check payable to: City of Arlington, C/O Atmos Cities Steering Committee Attn: Brandi Stigler, PO Box 90231, Arlington, Texas 76004 | | | Total \$877.84 |

2025 ACSC Newsletter



2025 YEAR IN REVIEW ISSUE

This past year was a busy one for ACSC. This annual review highlights the significant events of 2025 that impacted ACSC and what's on the horizon in 2026.



Dallas Joins ACSC in 2025 as Largest Member With Other New Member McGregor, Coalition Reaches 188

The City of Dallas, the state's third most populous city, was among two new members joining the Steering Committee of Cities Served by Atmos in 2025. With the addition of the second addition, the city of McGregor located in McLennan and Coryell counties, ACSC now has 188 members.

The Dallas City Council authorized the city's ACSC membership on Oct. 8. Dallas has a population of 1.3 million and is now the largest member of the coalition.

McGregor, meanwhile, joined in June. The city near Waco has a population of about 5,800. It also was the site of the World War II-era Bluebonnet Ordnance Plant and has been the location of several rocket-making companies. SpaceX now has a rocket engine development and test facility in McGregor.

ACSC undertakes activities on behalf of its city members and their citizens relating to gas utility regulatory matters. These activities include participation in rate cases, rulemakings at the Texas Railroad Commission, and legislative efforts that impact natural gas rates.

Welcome Dallas and McGregor!

89th Texas Legislature Considers Gas Utility Bills in 2025

Lawmakers during the 89th Texas Legislature considered hundreds of energy related bills, including a handful relating to gas utility issues. Most of the energy-related bills failed during the session, although a few made it to the governor's desk.

Below we describe five important gas utility bills, including those that made it to the finish line and those that did not. The 89th Texas Legislature adjourned in June.

- HB 2166, by John Bryant, "relating to the establishment of an independent market monitor

for the natural gas market by the Public Utility Commission of Texas and an independent organization certified for a power region." This bill died in the House State Affairs committee.

- HB 4042, "relating to the applicability of certain safety provisions and regulatory fees administered by the RRC to gas distribution pipelines." This bill allows the RRC to establish an annual safety compliance fee for operators, set at \$1 for each service line in gas distribution systems and \$100 for each master metered system. Significantly, this bill also removes the term "natural" when referencing

gas distribution pipelines, thereby broadening the legislation’s applicability to all gas distribution systems. This bill went to the governor on May 26 and became law without his signature.

- HB 4384, Rep. Drew Darby, “relating to the recovery of a gas utility’s gross plant placed in service not yet being recovered in rates.” This bill allows a gas utility to include additional items in interim rate filings that are not subject to substantial contemporaneous review by the RRC. This legislation made it through the process and was signed by Gov. Greg Abbott on June 20. It became effective immediately.
- HB 5475, Ryan Guillan, “relating to a study and report on the Underground Facility Damage

Prevention and Safety Act.” This bill establishes a framework for enhancing the Underground Facility Damage Prevention and Safety Act in Texas through a comprehensive study and subsequent report. It empowers the RRC to collaborate with the Texas Underground Facility Notification Corporation to assess the state’s current systems related to underground facility safety. This bill died in the House Energy Resources Committee.

- SB 2635, Nathan Johnson, “relating to the name and governance of the Railroad Commission of Texas.” This bill would have renamed the Railroad Commission the “Texas Oil, Gas and Minerals Commission.” This bill died in the Senate Natural Resources Committee.

Legislature in 2025 Delivers Additional Dollars to RRC

The Texas Railroad Commission, the state agency responsible for overseeing the oil and gas industry — including gas utilities — has received a \$593 million appropriation from the Texas Legislature.

The appropriation will finance agency operations for the 2026-2027 biennium. It represents a 23 percent increase from the \$481 million of the previous biennium, according to figures included in an earlier agency release.

The new two-year appropriation includes \$100 million for oil and gas well plugging, an amount described by the agency as the largest ever appropriation from the Texas Legislature for that purpose. The RRC’s “State Managed Plugging Program” has been responsible for the plugging of 46,000 wells since its inception in 1984, according to the agency.

The new legislative appropriation also includes \$16.7 million for data reporting systems to track produced water, authorized pits registrations, oversight, and safety regulatory filing and permitting. More than \$2 million also was allocated for upgrades to the agency’s cloud-based geographic information systems.

The RRC will receive \$1.3 million to establish an Underground Injection Well Investigation Team to help ensure injected fluids remain confined to the disposal formations and safeguard ground and surface fresh water. This team will supplement the RRC’s ongoing measures to mitigate seismicity and protect residents in areas including West Texas, according to the Railroad Commission.

The new appropriation was included in the state’s biennial budget, which was adopted as Senate Bill 1 during the 89th Texas Legislature that adjourned in June.

ACSC in 2025 Calls for HB 4384 Rules to Protect Ratepayers

The Texas Railroad Commission should take action to mitigate ratepayer fallout from a potentially expensive new gas utility law, including through the consideration of savings from infrastructure retirements to offset the costs of new utility infrastructure. That was among the messages delivered by the Steering Committee of Cities Served by Atmos, a municipal coalition, in comments it filed Nov. 17, 2025, at the agency.

At issue are provisions of the newly adopted House Bill

4384 that allow gas utilities to classify certain capital and tax expenditures as “regulatory assets” in rate proceedings. Under the law, utilities can then quickly begin charging their customers for these assets.

In October, the commission launched a rulemaking proceeding to implement HB 4384, and various interested parties, including ACSC, have now filed their recommendations. In its comments, ACSC reiterated its previously stated concerns about the law: that it encourages

the expensive use of piecemeal ratemaking, for example, and that it continues to allow gas utilities to charge ratepayers for capital expenditures prior to any substantive review of those expenditures.

But HB 4384 also would have the effect of further reducing the lag time between when a utility spends money on capital projects and when the utility profits from such expenditures by recovering them in rates, according to ACSC. This is a problem because some amount of “regulatory lag” creates incentives for utilities to spend money in a more efficient manner.

“While ACSC acknowledges and values the importance of safe and reliable infrastructure, it has concerns about the impairment of regulatory lag, which plays a longstanding and important role in the regulated system,” wrote ACSC general counsel Thomas Brocato in the organization’s Nov. 17, 2025 comments.

Recommendations

ACSC enumerated several recommendations to guide the agency’s ongoing rulemaking efforts. Chief among them was a recommendation relating to the treatment of “regulatory assets” under HB 4384. By definition, a regulatory asset can refer to various costs incurred by a utility that are not immediately expensed but rather deferred for later recovery through future rate increases. HB 4384 allows utilities to classify certain capital expenditures and taxes as regulatory assets and then quickly recover those expenditures through annual interim rate proceedings

without substantive prior review.

ACSC recommended that offsetting capital retirements (along with capital expenditures) also should be included in any calculation of regulatory assets. Otherwise, “utilities could have the advantage of fully recovering new plant in the regulatory asset and also earning a return on the retired plant,” ACSC noted in its comments. Furthermore, the inclusion of capital retirements in regulatory asset calculations “aligns with the Federal Energy Regulatory Commission Uniform System of Accounts, which supports the concept that gas plants should be reduced to reflect retirements,” ACSC noted.

ACSC also made the following recommendations:

- The rule implementing HB 4384 should include more clarity on how regulatory assets are handled in existing interim rate filings.
- When creating regulatory assets, gas utilities should use only approved values for return, depreciation, and taxes as determined in their most recent substantive rate case. That is, HB 4384 rules should bar utilities from using estimates for these values.
- The rule should require that utilities provide documentation supporting the in-service date for capital projects it includes in new regulatory assets.

The Railroad Commission is expected to issue a final rule in the coming months.

Atmos Financial Report Shows More Spending, Profits in 2025

Atmos Energy made \$3.6 billion in capital expenditures during the 2025 fiscal year — an increase from the \$2.9 billion in capital expenditures it made during the prior fiscal year. The company also expects to make another \$4.2 billion in capital expenditures during the 2026 fiscal year. The average customer bill was \$80 for the 2025 fiscal year, up from around \$50 during the 2020 fiscal year. It projects average bills will continue increasing over the decade, reaching as much as \$121 by 2030. Those top-line capital expenditure numbers were among the highlights of a conference call conducted by Atmos executives on Nov. 6. Other details include:

Fiscal Year Data (Fiscal Year Ending on Sept. 30)

- Atmos reports that about \$1.3 billion in 2025 capital spending — or 44 percent of this year’s \$3.6 billion total — was used to repair and replace transmission and distribution pipelines.

- Atmos reported \$963.4 million in distribution income and \$596.6 million in pipeline income during the 2025 fiscal year. That compares to \$854.5 million in distribution income and \$500.9 million in pipeline income during the prior fiscal year.
- Some of the key income drivers in 2025 were a \$184.1 million net increase from rate adjustments, \$26.7 million from residential and industrial growth — primarily in the Mid-Tex divine — and other factors.

Regulatory Actions

- Atmos said that with the adoption of House Bill 4384 from the most recent Texas Legislature, that the company now expects to begin receiving recovery of 95 percent of its capital expenditures within six months of making them. HB 4384, which adjusts the regulatory process at the Texas Railroad

Commission, also means the company will receive recovery of 99 percent of its capital expenditures within one year of making them, according to Atmos.

- The company reported that its pipeline division implemented, on Nov. 1, a System Safety & Integrity Rider that allows for the recovery of certain safety and integrity costs. The authorized recovery from the 2025 rider is \$23 million, according to Atmos.

2025 Analysis by ACSC Shows Long-Term Increases in Atmos Spending, Revenues, and Bills

During a 2025 earnings call with investment analysts, officials at Dallas-based Atmos Energy boasted of delivering years of consistent dividend increases for their shareholders. In fiscal 2025, for instance, the year-over-year increase was 8.1 percent. This represented “the 41st consecutive year of rising dividends” for shareholders, according to the company.

But dividends aren’t the only thing on the rise at Atmos. An ACSC review of multiple financial filings also shows that it is spending ratepayer money at an unprecedented clip and that average gas bills have increased steadily. Moreover, average monthly gas bills could rise by as much as 50 percent over the next five years.

About Atmos

Atmos Energy, the country’s largest natural gas-only distributor, serves more than 3.3 million distribution customers in over 1,400 communities across eight states. Atmos also manages proprietary pipeline and storage assets. Its most substantial holdings are in Texas, where the Texas Railroad Commission oversees its rates and operations.

As a publicly traded company, Atmos also hosts quarterly financial update calls in which it regularly touts almost clockwork-like increases in both its revenues and capital expenditures. These increases always come as good news to shareholders: revenue increases because they contribute to earnings-per-share growth, and capital expenditure increases because utilities receive a regulated rate of return on such expenditures. This means that, as a general matter, the more a utility spends on capital projects, the more revenue it is authorized to collect from customers.

Atmos notes, however, that customers benefit from its capital spending programs because they finance system safety and integrity efforts and because they help the company keep up with customer growth. The company also notes that while its average residential bills are on the rise, they nonetheless remain lower than bills charged by electric utilities.

Rate and Spending Analysis

As noted, Atmos’s spending and revenues — and its monthly consumer bills — all have gone up in recent years. In some cases, the increases are substantial, according to a recent analysis of the company’s financial statements over the last 10 years. Here are some of the findings from that analysis.

Income

- Atmos reported net income in 2025 of nearly \$2 billion. That is more than five and a half times of its reported net income of \$345 million in 2016.
- The company’s annual net income increased by 91 percent between 2024 and 2025.
- The company reported increases in net income of 10 percent every year since 2017.

Spending

- The company estimated capital spending in 2025 of \$3.6 billion. That is more than triple the \$1.1 billion it reported in 2017.
- The company’s capital spending went up 21 percent between 2024 and 2025.
- The company’s capital spending has increased every year since 2017.

Rates

- Average bills across the company’s multi-state system went from \$72 last year to \$80 this year.
- Average bills are expected to increase to \$121 by 2030, an increase of more than 50 percent in five years.
- The company reports that average bills increased every year except for one since 2019.

Atmos “SSI” Riders Explained: \$23 Million in 2025 Interim Charges Finance Pipeline Leak Testing

The pipeline division of Atmos Energy, the North Texas gas utility, has collected more than \$40 million in extra charges since 2024 to finance system safety testing, according to a review of regulatory filings.

Assessed through “System Safety and Integrity” riders, these charges accrue on top of other interim assessments made by Atmos outside its general rate cases.

Through System Safety and Integrity riders, or SSI, Atmos recovers from customers certain system safety costs that it incurs each year to maintain its pipeline system. As noted in Atmos filings, SSI is calculated as a monetary amount above a benchmark set during a preceding rate case — in this case, a pipeline proceeding from 2023 (Case No. OS-23-00013758).

In 2024, the SSI rider (under Case No. 00017667) added \$18.7 million to annual system costs. In 2025, it amounted to \$23 million (Case No. OS-25-0002811). These costs flow indirectly into home bills based on usage.

Why SSI?

Federal law requires gas utilities to conduct intensive leak testing on their pipeline systems on a regular basis. This testing requires utilities to shut down individual lines on a rotating basis — typically every three to five years.

These integrity tests can cost millions of dollars on a systemwide basis, but they also vary widely from year to year. Gas utilities argue that these costs are too variable and unpredictable to include in relatively infrequent base rate cases and seek recovery through interim riders.

Under the SSI, Atmos receives authorization to collect system integrity costs on an annual basis, but these costs are subject to later refunds or surcharges to the extent they vary from actual costs as demonstrated through a subsequent true-up process. Atmos customers pay the SSI indirectly based on a calculation of both usage and the maximum daily quantity of gas flowing over the overall system.

Atmos does not receive a financial return on SSI expenditures. The Steering Committee of Cities Served by Atmos has not raised objections to Atmos’s use of safety-related SSI assessments.

Other Charges

Atmos assesses the SSI in addition to other interim charges, including those associated with its annual capital spending. Overall, capital spending by Atmos has more than tripled since 2017, according to company financial reports. (See separate article on page 2).

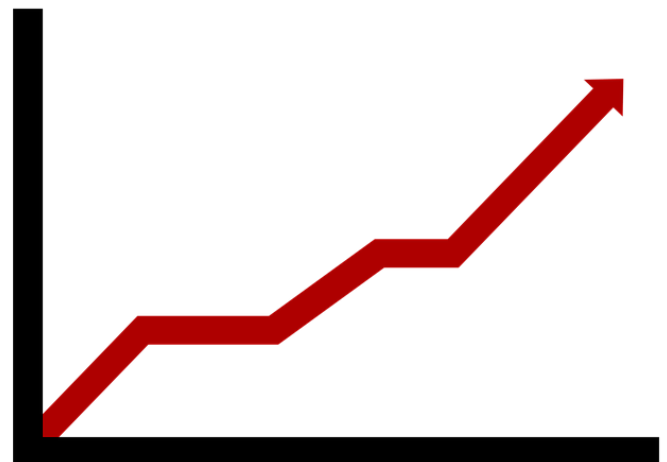
2025 Rate Case Roundup

Atmos RRM Rate Increase Reduced After City Intervention

In April, Atmos requested a \$245.2 million increase in revenues for its Mid-Tex Division, calculated on a system-wide basis. The request, made through the Rate Review Mechanism process, was subsequently reduced to \$225.6 million due to RRM tariff limitations.

Consultants with the Steering Committee of Cities Served by Atmos then prepared a report identifying additional potential reductions to the company’s rate request. After the intervention, Atmos agreed to settle the case for \$205.6 million — a reduction of almost \$40 million from the company’s initial request (and a \$20 million reduction from the company’s amended request). The settlement also includes payment of ACSC’s expenses.

The Rate Review Mechanism is a set of rules negotiated by ACSC cities that permit some regulatory oversight of utility rate



requests by cities. This contrasts with the parallel Gas Reliability Infrastructure Program (or “GRIP”) that exists under statute, but that does not allow meaningful advanced review of utility rate requests.

Dallas Negotiates Smaller Atmos Rate Increase for Area Residents

The Dallas City Council has approved a negotiated 8 percent rate increase for residential Atmos Gas customers in the city, amounting to \$7.83 per month on average.

Atmos initially requested a total annual increase of \$31.4 million, but that amount was reduced to \$27.9 million after negotiations with the city. Atmos also will reimburse the city for its rate case expenses.

Atmos filed that initial request under the Dallas Area Rate Review process on Jan. 15, the Dallas City Council unanimously approved the settlement on May 28, and the rates went into effect on June 1.

Atmos Energy historically has been able to request a rate adjustment every year under the DARR process. However, unlike the separate Gas Reliability Infrastructure Process, DARR allows for substantive contemporaneous review of the rate filing by the city and negotiations.

Atmos Receives “GRIP” Increase for Pipeline Division

On June 17, the Texas Railroad Commission approved an annual revenue increase of \$77,205,694 for Atmos Pipeline Texas under the rules of the state’s Gas Reliability Infrastructure Program, or “GRIP”.

In its initial Feb. 26 GRIP filing, the utility sought to recover costs for projects put in service during 2024. The GRIP tariffs will apply only to that portion of the system under the Railroad Commission’s original jurisdiction and will remain in effect until Atmos Pipeline-Texas’ next base rate case.

Under the Gas Reliability Infrastructure Program, the state’s monopoly gas utilities can hike rates without any substantive contemporaneous review. Cities have opposed GRIP because it allows gas utilities to increase rates even if the company’s overall spending is declining, or even if its revenues are increasing. Railroad Commissioners grant these hikes as a ministerial act.

More information can be found on the Railroad Commission website, under Case No. 00020448.

2026 ACSC Meetings

March 5
June 11 — Virtual
September 10
December 10— Virtual

2025 Officers

Chair—Meg Jakubik (Flower Mound)
Secretary—Chuong Phung (Grand Prairie)
Treasurer—David Johnson (Arlington)

For more questions or concerns regarding any ACSC matter or communication, please contact the following representative, who will be happy to provide assistance:

**PRELIMINARY DEVELOPMENT AGREEMENT
(STEPHENVILLE CITY HALL PROJECT)**

This **PRELIMINARY DEVELOPMENT AGREEMENT** (this "**Agreement**") is entered into effective as of April 7, 2026 (the "**Effective Date**"), by and between the **CITY OF STEPHENVILLE, TEXAS**, a home-rule municipality and political subdivision of the State of Texas (the "**City**"), and **NORTH 94 LAND DEVELOPMENT, LLC**, a Texas limited liability company (the "**Developer**"). The City and the Developer are sometimes collectively referred to as the "**Parties**" and individually as a "**Party**".

BACKGROUND:

- A.** The City desires to undertake the design, financing, development, and construction of a new city hall facility (as more fully described herein, the "**Project**").
- B.** The Project will require extensive preliminary development work to determine the scope of the Project, including design, entitlements, preliminary engineering, sources and uses of financing, and pre-construction planning and estimating before the City can make a determination as to whether to proceed with the Project.
- C.** The Parties wish to establish a formal relationship between them through which the Developer will perform certain Preliminary Development Activities (as defined herein), including developing the general design, construction, financial, budgetary, management, and scheduling parameters that will serve as a guide for delivering the Project.
- D.** The Developer's willingness to self-fund and incur costs relating to the Preliminary Development Activities is based on the City's willingness to reimburse the Developer for such costs as provided in this Agreement.
- E.** The City and the Developer wish to memorialize their agreement regarding these matters by executing this Agreement.

ACCORDINGLY, in consideration of the foregoing and the terms set forth in this Agreement, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties hereby agree as follows:

Section 1. Purpose and Scope; Transaction Overview.

- (a) *General Description of the Project.* The Parties intend that the Project will be comprised of the planning, design, financing, development, construction and equipping of a new city hall on approximately 1.7 acres of City-owned land located in Stephenville, Erath County, Texas, as more particularly described in EXHIBIT A (the "**Project Site**"). As currently envisioned, the Project includes an approximately 15,000 square-foot city hall facility for the exclusive use of the City.
- (b) *Purpose and Scope.* The purpose and scope of this Agreement is to (i) establish the Parties' general understanding of the Project and the general roles and responsibilities of the Parties relating to the Project and the performance of the preliminary development activities to be performed by the Developer pursuant to this Agreement (the "**Preliminary Development Activities**"); and (ii) establish the terms and respective obligations of the City for the payment and reimbursement of the Preliminary Development Activities as described herein.
- (c) *Transaction Overview.* The Parties anticipate that upon the conclusion of the Preliminary Development Activities, the terms of their relationship will be finalized and effectuated through the execution and delivery of (i) a ground lease agreement from the City to the Developer, enabling

the Developer to construct and deliver the Project (the "**Ground Lease**"), (ii) a master lease agreement from the Developer to the City for the City's use and occupancy of the Project once completed (the "**Master Lease**"), and (iii) other agreements relating to the financing and construction of the Project (collectively, the "**Definitive Agreements**"). The Definitive Agreements will, collectively, contain the contractual terms for the final planning, programming, design, development, financing/funding, construction, and leasing of the Project, for the use and benefit of the City. The number and breadth of the Definitive Agreements will be expanded and/or refined during the term of this Agreement as Project assumptions are vetted and refined. Delivery of the Definitive Agreements is contingent upon the performance and favorable outcomes of the Preliminary Development Activities. This Agreement is not a binding commitment of any of the Parties to ultimately proceed with the Project or the execution and delivery of the Definitive Agreements.

Section 2. Exclusivity.

In consideration of the mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the Parties agree to work together in an exclusive and cooperative manner to undertake and pursue the successful development of the Project. Specifically, the City agrees that it will not, directly or indirectly, solicit, entertain, or otherwise encourage any inquiries, offers, or proposals from, or continue or enter into any negotiations with, any party interested in contracting other than the Developer with respect to the performance of the Preliminary Development Activities or the development of the Project, or the lease, development, sale or other disposition of City-owned land within the Project Site or any portion thereof, from the Effective Date and continuing until the earlier of (i) Closing (as hereinafter defined) or (ii) the termination of this Agreement.

Section 3. Collaboration and Communication between the Parties.

- (a) *Collaboration of the Parties.* The Parties agree to work in a collaborative manner to timely achieve completion of the Preliminary Development Activities. The Parties agree to work cooperatively and diligently to procure and pursue the development of the Project in accordance with the terms of this Agreement.
- (b) *Meetings and Project Updates.* The Developer shall keep the City informed as to the progress of all Preliminary Development Activities on a periodic basis. These meetings will cover relevant Project topics including but not limited to project administration, project financing (sources and uses of public and private funds), technical issues (entitlements, planning, design, programming and construction scope, costs, schedule, etc.), real estate market and financial metrics, and community outreach. The Developer and the City agree to reasonably and timely cooperate with one another in connection with the Project, the performance of the Preliminary Development Activities, and the granting of any required approvals by the City.
- (c) *Designated Representatives.* For ease of communication and accountability, each of the Parties shall identify a primary point-of-contact for purposes of coordinating all matters relating to the Project and the Preliminary Development Activities as contemplated in this Agreement (each such person being a "**Designated Representative**"). The Designated Representatives or their designees shall participate in regularly scheduled planning and progress meetings relating to the Preliminary Development Activities, and will coordinate all communication, requests, reviews, and approvals relating to such matters. Each Designated Representative shall actively involve and make all members of such Party's project team available to participate in regularly scheduled planning and progress meetings, and for all other purposes set forth in this Agreement. The City's Designated Representative shall be the City Manager, and the Developer's Designated Representative shall be Randy Hines.

Section 4. Preliminary Development Activities.

- (a) *Preliminary Development Activities.* The Parties will establish a comprehensive development concept and feasibility plan, which will culminate with a final development proposal (the "**Final Development Proposal**") to be prepared and submitted by the Developer for consideration and approval by the City. The Parties will endeavor to complete and adopt the Final Development Proposal on or before August 31, 2026. Prior to submitting the Final Development Proposal, the Developer will perform the following Preliminary Development Activities:
- (i) The Developer will conduct all necessary diligence activities with respect to the Project Site, including environmental assessments, title and survey review, utility studies, traffic and parking analysis, and floodplain analysis (the "**Diligence Reports**");
 - (ii) The Developer will work with the City to obtain a site development permit and all other necessary permits, approvals, and entitlements for the commencement of construction of the Project, including, but not limited to, easements or right-of-way agreements with the third parties and any applicable utility providers;
 - (iii) The Developer will assist the City as necessary to secure "willingness to serve" letters or similar commitments from all electric, water, wastewater, broadband, and other utility services necessary for the City's use and enjoyment of the Project;
 - (iv) The Developer will prepare and negotiate necessary contracts with all professionals, consultants, and contractors for the performance of all design, construction, and related services necessary for the delivery of the Project;
 - (v) The Developer will prepare the 100% construction documents for the horizontal on-site and off-site infrastructure, and vertical improvements for the Project, for review and approval by the City (the "**Approved Plans**");
 - (vi) The Developer will prepare a final development budget for the design and construction of the Project, inclusive of all hard costs and soft costs, and the Developer's fee (the "**Project Budget**");
 - (vii) The Developer will prepare a detailed development and construction schedule for the Project, identifying a target substantial completion and key milestones (the "**Project Schedule**");
 - (viii) The Developer will prepare a definitive plan of finance for the Project, including a high-level summary of the sources and uses of funds for each thereof; and
 - (ix) The Developer will work with the City to negotiate the principal business and legal terms for the Definitive Agreements.
- (b) *Preliminary Development Schedule.* EXHIBIT B attached hereto (the "**Preliminary Development Schedule**") establishes general timelines and milestones for the performance of the Preliminary Development Activities, as well as target dates for the delivery of the Final Development Proposal and the negotiation, execution and delivery of Definitive Agreements. Subject to the terms of this Agreement, the Parties agree to allocate sufficient staff resources and exercise good faith efforts to perform their respective obligations in a manner that will enable the Parties to achieve the milestones described in the Preliminary Development Schedule. However, the Parties also recognize and agree that the successful completion of the Preliminary Development Activities is contingent on facts and circumstances not yet known to the Parties or beyond their reasonable

control, and the Parties may mutually agree to revise the Preliminary Development Schedule from time to time due to changing circumstances or force majeure.

- (c) *Final Development Proposal.* Upon the completion of the Preliminary Development Activities, the Developer will prepare and deliver the Final Development Proposal to the City, which will include the following:
 - (i) A summary of the outcomes of all feasibility and due diligence work;
 - (ii) A final site plan and renderings for the Project based upon the Approved Plans;
 - (iii) The Project Budget;
 - (iv) The Project Schedule; and
 - (v) The proposed real estate, business and legal terms for the Definitive Agreements (the "**Deal Terms**"). The purpose of the Final Development Proposal is to ensure that the Parties principally agree on the scope of the Project and the Deal Terms prior to continuing in earnest with the final negotiation and execution of the Definitive Agreements.
- (d) *Limitations on Agreement.* Notwithstanding anything in this Agreement to the contrary, the execution and delivery of this Agreement by the Parties shall not be construed as an offer or an acceptance by any of the Parties to proceed with the execution of any Definitive Agreements.

Section 5. Roles and Responsibilities of the Parties.

- (a) *Responsibilities of the Developer.* Subject to the City's reimbursement obligations set forth in Section 7, the Developer will be responsible for the payment and performance of all of the Preliminary Development Activities, as described in Section 4 above, including the services required for the deliverables. The Developer will be responsible for the selection, contractual engagement, and supervision of all third-party design professionals, contractors, service providers and consultants (the "**Developer Parties**").
- (b) *Responsibilities of the City.*
 - (i) General. The City recognizes that its participation, review, evaluation, and input is necessary in order for the Developer to conduct the Preliminary Development Activities. The City agrees to dedicate adequate staff and resources toward participation in the Preliminary Development Activities as it deems appropriate or as reasonably requested by the Developer.
 - (ii) Review and Response to Submittals. Certain work product of the Developer derived from the Preliminary Development Activities will be submitted to the City for review, comment, and approval, as the Developer deems reasonably appropriate and necessary (collectively, the "**Submittals**"). Any Submittals for which the City's approval is legally required under the existing rules, regulations, codes, and ordinances of the City relating to land development (the "**City Legal Requirements**") shall be subject to City review and approval in accordance with such City Legal Requirements. Nothing in this Agreement shall constitute a waiver of the City Legal Requirements or the City's non-ministerial obligations under State law, and the Developer shall ultimately be responsible for ensuring that such Submittals conform to any and all City Legal Requirements. Any Submittals that are not subject to the City Legal Requirements but for which the City's review and comment is nevertheless deemed reasonably necessary or appropriate by the Developer shall not be subject to the City Legal Requirements. The City shall respond to all such requests for review, comment, or approval within the reasonable timelines requested by the Developer.

- (iii) Timely Response to Information Requests. To the extent permitted by State law, at the request of the Developer, the City agrees to timely provide to the Developer any relevant data, surveys, documentation and information in possession of the City and which, in the reasonable judgment of the City, is reasonably necessary or appropriate in connection with the Developer's performance of the Preliminary Development Activities.
- (iv) AHJ Approvals. The City will provide reasonable assistance to the Developer with all contacts, meetings, and approvals with all "authorities having jurisdiction" ("**AHJs**") over the Project, including, but not limited to, Erath County and TxDOT.

Section 6. Right of Entry.

- (a) *Grant of Right of Entry.* During the Term of this Agreement, the City hereby grants unto the Developer the non-exclusive, revocable right to enter (the "**Right of Entry**") the Project Site upon twenty-four (24) hours' prior written notice to the City for the sole and limited purpose of conducting the Preliminary Development Activities (the "**Authorized Purposes**"), subject to the terms, conditions, and covenants set forth herein.
- (b) *No Liens.* All investigations and activities of the Developer shall be performed as part of the Preliminary Development Activities, at the Developer's cost and expense. The Developer shall keep the Project Site free and clear of any liens and claims that may arise as a result thereof. If any such lien or claim shall at any time be filed, the Developer shall cause the same to be discharged of record or fully bonded in accordance with State law within ten (10) days after the Developer receives written notice thereof. Upon completion of the Developer's activities or investigations on the Project Site, the Developer will restore any disturbed surface of the Project Site as close as reasonably possible to the condition of the Project Site immediately prior to the performance of such activities.
- (c) *Compliance with Laws.* The Developer shall conduct its activities in compliance with all applicable laws and regulations at all times. The Developer is responsible for all activities of the Developer and any of the Developer Parties, and their respective subcontractors or representatives or invitees brought onto the Project Site. The Developer shall not bring, or permit any Developer Parties to bring, any hazardous materials onto the Project Site except in accordance with all applicable Environmental Laws (as defined below). Further, upon any Developer representative encountering any previously unknown or potentially hazardous material on the Project Site, the Developer shall immediately cease any activities impacted by the discovery, secure the affected area, and notify the City immediately.
- (d) *Environmental Regulations.* The Developer shall conduct its activities in compliance with applicable laws and regulations relating to the environment and its protection at all times ("**Environmental Laws**"). The Developer is responsible for all items it brings to the Project Site, including hazardous materials, and all such items brought by the Developer Parties. The Developer shall not, nor shall it permit any of its Developer Parties to bring hazardous materials onto the Site except in accordance with all applicable Environmental Laws. Upon encountering any previously unknown potentially hazardous material, or other materials potentially contaminated by hazardous material, the Developer shall immediately stop any activities impacted by the discovery, secure the affected area, and notify the City immediately.
- (e) *Restoration.* Upon completion of the site investigations, the Developer will restore any disturbed surface of the Project Site as close as reasonably possible to the condition of the property immediately prior to the performance of such activities.

- (f) *Indemnity.* THE DEVELOPER WILL INDEMNIFY, DEFEND AND HOLD THE CITY, AND ITS OFFICERS, EMPLOYEES, AGENTS, AND REPRESENTATIVES (COLLECTIVELY, THE "**INDEMNIFIED PARTIES**") HARMLESS FROM ANY AND ALL OBLIGATIONS, LOSSES, INJURIES, DAMAGES, CLAIMS, LIENS, COSTS, EXPENSES, DEMANDS, LIABILITIES, PENALTIES, AND REASONABLE INVESTIGATION COSTS, INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEYS' FEES AND COSTS (COLLECTIVELY, THE "**CLAIMS**") FOR PERSONAL INJURY, DEATH OR DAMAGE TO OR DESTRUCTION OF PROPERTY OR IMPROVEMENTS, TO THE EXTENT CAUSED IN WHOLE OR IN PART BY, OR ATTRIBUTABLE TO, (I) THE PERFORMANCE OF THE PRELIMINARY DEVELOPMENT ACTIVITIES; (II) ANY WILLFUL MISCONDUCT OR OTHER UNLAWFUL, NEGLIGENT OR RECKLESS ACT OR OMISSION OF THE DEVELOPER OR THE DEVELOPER PARTIES, OR ANY ACT OR OMISSION OF THE DEVELOPER OR THE DEVELOPER PARTIES THE EXERCISE OF THE RIGHTS GRANTED TO THE DEVELOPER HEREUNDER. However, the foregoing indemnity shall not cover or apply to any claims, liabilities or causes of action for personal injury, death or damage to or destruction of property or improvements which arise (A) out of the mere discovery of, or the locating or identifying of, any pre-existing condition on, under or emanating from the Project Site, including, but not limited to, any contamination on, under or emanating from the Project Site, so long as the Developer Parties do not exacerbate any such pre-existing condition and if they do then the Developer's liability will be limited to the extent of the damage caused by such exacerbation and (B) the negligent or reckless acts or omissions of any Indemnified Party.

If the City or any other Indemnified Party is found jointly liable by a court of competent jurisdiction or other finder of fact, liability will be apportioned comparatively in accordance with the laws of the state of Texas, without waiving any sovereign immunity available to the City or any Indemnified Party, and without waiving any defenses of the City or any Indemnified Party under Texas law.

- (g) *Insurance.* Prior to any entry by the Developer upon the Project Site, the Developer shall provide the City with evidence of the insurance described in EXHIBIT D attached hereto.

Section 7. Preliminary Development Costs; Reimbursement.

- (a) *General.* The Developer shall be responsible for the payment of all Preliminary Development Costs (as defined below) out of its own funds but subject to reimbursement by the City as provided herein. The Preliminary Development Activities shall be performed directly by the Developer or the Developer Parties.
- (b) *Preliminary Development Budget.* The Developer has prepared a detailed budget and schedule of its estimated Preliminary Development Costs (as defined below), which is attached hereto as EXHIBIT C (the "**Preliminary Development Budget**"). The Preliminary Development Budget includes a detailed line-item budget of the Preliminary Development Costs for the performance of the Preliminary Development Activities and the preparation of a Final Development Proposal. The Preliminary Development Budget may be amended or revised by the mutual agreement of the Parties. The Developer may reallocate amounts between budget line items, except for the Developer's fixed fee, which will be fixed.
- (c) *Preliminary Development Costs.* For purposes hereof, "**Preliminary Development Costs**" are limited to and include only (i) the third-party costs set forth in the Preliminary Development Budget and actually incurred or expensed by the Developer for contractors (and their subcontractors), design professionals, consultants (and their subconsultants), other architectural and engineering design professionals (including costs of preconstruction services of third party project

contractor(s)) (collectively, "**Third-Party Costs**"); and (ii) the Developer's fixed fee as set forth in the Preliminary Development Budget (the "**Developer's Fixed Fee**").

- (d) *Reimbursement by the City.* The City agrees to reimburse the Developer for all Preliminary Development Costs actually incurred by the Developer on a monthly basis, pursuant to monthly invoices in an aggregate amount not to exceed the total sum of the Preliminary Development Budget (as the same may be amended with the written approval of the City). However, the City's reimbursement obligation is expressly limited to the payment of those Preliminary Development Costs that meet the conditions and requirements set forth below, and which are not otherwise expressly excluded as set forth below:
- (i) All Third-Party Costs shall be limited to those costs generally described in the Preliminary Development Budget, and must be evidenced by documentation satisfactory to the City demonstrating that such costs were actually incurred by the Developer, such as contracts, subcontracts, invoices, work orders, receipts, and evidence of payment. The Developer shall have sole responsibility for keeping and preserving all records and correspondence for purposes of documenting payment.
 - (ii) Notwithstanding the Developer's right to reallocate amounts among line items within the Preliminary Development Budget, the City shall not be required to pay any Preliminary Development Costs that are not reflected as a line item in the Preliminary Development Budget, unless expressly approved by the City in writing in the City's sole discretion; provided, however, that the Developer may use its contingency line item for costs that are not reflected as a line item in the Preliminary Development Budget (as well as reallocating the contingency to other line items in the Preliminary Development Budget)..
- (e) *Monthly Invoices and Payment.* The Developer shall deliver to the City on a monthly basis commencing on the fifteenth (15th) day of each calendar month (or the immediately following business day) beginning on the first full month after the Effective Date, a monthly invoice (each an "**Monthly Invoice**") detailing all Preliminary Development Costs incurred in the immediately preceding month, together with a reconciliation report providing a full accounting of the incurred and/or expended Preliminary Development Costs through the last day of the prior calendar month, on a line-item basis matching the Preliminary Development Budget. The reconciliation report shall also document any line-item reallocations or uses of contingency. The reconciliation report may also include a narrative summary of any financial commitments for third-party services that have accrued but not invoiced to date. Upon the request of the City, the Developer shall also provide the City with any supporting documentation to evidence amounts invoiced, including copies of agreements, receipts, and third-party invoices. The City shall remit all undisputed amounts requested in the Monthly Invoice to the Developer on or before the following receipt of such Monthly Invoice. Payments shall be delivered by the City to an account or accounts designated by the Developer.

Section 8. Instruments of Service.

- (a) *Ownership of Instruments of Service.* All instruments of service prepared by the Developer and its consultants in connection with the performance of the Preliminary Development Activities (the "**Instruments of Service**"), shall be and remain the property of the Developer until and unless the City reimburses the Developer for its Reimbursable Preliminary Development Costs in accordance with Section 7 above. "Instruments of Service" shall include any drawings, specifications, models, renderings, professional studies, professional reports, or other proprietary materials prepared in connection with or as part of the Preliminary Development Activities. However, "Instruments of Service" shall expressly exclude, and the City shall retain all rights to (irrespective of payment or nonpayment) any and all work product of the City, including any contracts, agreements, plans,

notes, research, reports, summaries, concepts, and ideas conceived, developed, or prepared directly by or through the joint participation of the City and its representatives, that is not customarily deemed as "work made for hire" (collectively, "**City Work Product**"). The Developer hereby waives and releases all rights relating to the City's continued use and ownership of any City Work Product.

- (b) *Transfer of Instruments of Service.* Immediately upon the City's reimbursement of the Developer for its Reimbursable Preliminary Development Costs in accordance with Section 7 above, all of the Developer's right, title, and interest, including licenses, in and to all Instruments of Service, whether or not used or accepted by the City, shall immediately become the property of the City without any further evidence of transfer or assignment. However, to the extent that the City determines that further documentation or assurances are necessary to evidence the transfer, assignment, or licensing of any Instruments of Service, the Developer shall fully cooperate with the City and use all reasonable and lawful means to deliver written documentation or assurances, including those to be executed by any member of the Developer's team, to evidence the transfer, assignment, or licensing of the Instruments of Service to the City. The City acknowledges that the Developer will typically only receive licenses to Instruments of Service prepared by the development team, and that assignment of such licenses (if that is the only right that the Developer has to such Instruments of Service) will satisfy the Developer's obligation to grant such Instruments of Service to the City.

Section 9. Term and Termination.

- (a) *Term.* The term of this Agreement shall commence on the Effective Date, and shall continue until the earlier to occur of (i) the Parties' execution and delivery of the Definitive Agreements, or (ii) December 31, 2026 (the "**Term**"), unless earlier terminated in accordance with the terms of this Section 9.
- (b) *Termination for Cause.*
- (i) Notice of Default. If either Party materially fails to comply with any of its obligations under this Agreement, the other Party (the "**Noticing Party**") may provide the defaulting Party (the "**Defaulting Party**") written notice of default describing the default and approximate date(s) of occurrence and other relevant circumstances as well as a requested remedy to reasonably cure commensurate with the seriousness of the default.
- (ii) Opportunity to Cure. Upon receiving a notice of default, the Defaulting Party shall have thirty (30) calendar days to reasonably cure the default to the reasonable satisfaction of the Noticing Party. However, if the default is of such nature that it cannot be reasonably cured within thirty (30) days, then the Defaulting Party shall have an additional ninety (90) calendar days to cure the default, during which it must diligently pursue actions to cure said default, evidenced by weekly written updates to the Noticing Party. The Noticing Party may also in their sole discretion extend the cure period for such additional amount of time that they determine to be reasonably necessary. If the Defaulting Party fails to cure the default to the reasonable satisfaction of the Noticing Party within the cure period described above, the Noticing Party may provide written notice to the Defaulting Party of its election to terminate this Agreement, and termination shall take effect immediately upon delivery of such notice; however, the City's payment obligations described in Sections 9(a)(iii)(A) and 9(a)(iii)(B) below shall survive termination. The City shall use all reasonable and lawful means to pay such Preliminary Development Costs within thirty (30) days of termination and receipt of the final Expense Report.

(iii) Reimbursement of Preliminary Development Costs.

- (A) **Termination by the Developer.** If the Developer terminates this Agreement under this Section 9(b), the City agrees to reimburse the Developer for any reimbursable Third-Party Costs incurred and not previously reimbursed by the City up to the City's receipt of notice of termination through the date of payment, plus the full amount of the Developer's Fixed Fee. The City shall pay such reimbursable Third-Party Costs to the Developer and the Developer's Fixed Fee within thirty (30) calendar days of termination and receipt of a final invoice and reconciliation report in the form described in Section 7(e) hereof, and the Developer agrees that its damages shall be limited to, the amount of such Third-Party Costs incurred prior to the City's receipt of notice of termination through the date of payment, plus the Developer's Fixed Fee.
- (B) **Termination by the City.** If the City terminates this Agreement under this Section 9(b), the City agrees to reimburse the Developer all of its Third-Party Costs incurred and not previously reimbursed by the City up to the Developer's receipt of notice of default. The City shall pay such reimbursable Third-Party Costs to the Developer and the Developer's Fixed Fee within thirty (30) calendar days of termination and receipt of a final invoice and reconciliation report in the form described in Section 7(e) hereof.

(c) *Termination for Convenience by the City.*

- (i) Notice of Termination. If the City determines in its sole discretion to terminate this Agreement for its convenience at any time, it shall have the right, with thirty (30) calendar days' written notice to the Developer, to terminate this Agreement. Termination shall take effect immediately upon the expiration of the thirty (30) day notice period; however, the City's payment obligations described in paragraph (ii) below shall survive termination.
- (ii) Reimbursement of Preliminary Development Costs. If the City terminates for convenience, the City agrees to reimburse the Developer for any reimbursable Third-Party Costs incurred and not previously reimbursed by the City up to the City's receipt of notice of termination through the date of payment, plus the full amount of the Developer's Fixed Fee. The City shall pay such reimbursable Third-Party Costs to the Developer and the Developer's Fixed Fee within thirty (30) calendar days of termination and receipt of a final invoice and reconciliation report in the form described in Section 7(e) hereof.

(d) *Termination by Failure to Approve Final Development Proposal.*

- (i) Failure to Approve Final Development Proposal. The Developer may terminate this Agreement by giving written notice to the City if (A) the City does not approve in writing the Final Development Proposal within forty-five (45) days of the Developer's submission of the Final Development Proposal to the City, or (B) the Developer is unable to deliver a Final Development Proposal to the City on or before September 30, 2026 due to the City's failure to timely perform its responsibilities under this Agreement. Termination shall take effect immediately upon the delivery of such notice; however, the City's payment obligations described in paragraph (ii) below shall survive termination.
- (ii) Reimbursement of Preliminary Development Costs. If the Developer terminates this Agreement because the City fails to approve the Final Development Proposal, the City agrees to reimburse the Developer for any reimbursable Third-Party Costs incurred and not previously reimbursed by the City up to the City's receipt of notice of termination through

the date of payment, plus the full amount of the Developer's Fixed Fee. The City shall pay such reimbursable Third-Party Costs to the Developer and the Developer's Fixed Fee within thirty (30) calendar days of termination and receipt of a final invoice and reconciliation report in the form described in Section 7(e) hereof.

Section 10. General Provisions.

- (a) *Representations and Warranties.* Each Party represents and warrants to the other Party all of the following:
- (i) The Party has all requisite power and authority to enter into this Agreement and consummate the transactions set forth herein, and by proper action has duly authorized the execution and delivery of this Agreement and the consummation of the transaction set forth herein, and no permission, approval, or consent by any additional third parties or governmental authorities is required for the Party to enter into and consummate this Agreement.
 - (ii) This Agreement is a valid obligation of the Party and is binding upon and enforceable against the Party in accordance with its terms.
 - (iii) The consummation by the Party of this Agreement and the Project set forth herein do not, and will not, constitute a violation of any order, rule or regulation of any court or of any federal, state, or municipal regulatory body, administrative agency, or other governmental body having jurisdiction over the Party.
- (b) *Confidentiality of Information and Negotiations.* The Parties agree to maintain the confidentiality of all Confidential Information exchanged in the performance of the activities and undertakings described in this Agreement. "**Confidential Information**" means any information, documentation, or data developed or exchanged under this Agreement that is clearly marked as "confidential" or "proprietary," or which by its nature would reasonably be understood to be confidential. Each Party agrees that it shall not disclose or use Confidential Information for any purpose other than the performance of its obligations under this Agreement, except to the extent that disclosure may be required under the TPIA or other applicable law. The receiving Party shall take all reasonable and necessary steps to protect the confidentiality of the disclosing Party's Confidential Information, using at least the same degree of care it uses to protect its own confidential information of a similar nature.
- (c) *Assignment.* The Developer shall not assign (it being agreed that for purposes of this Agreement, assignment includes, without limitation, a merger, dissolution, sale, pledge or other hypothecation or transfer of stock or ownership interests in any other form of business entity interests or sale of assets), mortgage, pledge or otherwise transfer their respective interests in this Agreement without the prior written consent of the City, which consent may be withheld in the City's sole and absolute discretion. However, the Developer may assign its interest in this Agreement to an entity that directly or indirectly controls, is controlled by, or is under common control with the Developer ("**Affiliate**") with prior notice to the City. In such a case, the City's consent to said assignment may not be unreasonably withheld, conditioned, or delayed and such consent shall be conditioned upon
- (i) the Developer demonstrating such Affiliate has comparable or greater financial standing, professional expertise and development capabilities as the Developer as of the Effective Date, and
 - (ii) the execution and delivery by such Affiliate of an instrument in form and substance reasonably satisfactory to the City evidencing its full assumption of the Developer's obligations hereunder. The Party who assigns this Agreement shall provide the other Party with a copy of the assignment.

- (d) *Notices.* Any notice, request, demand, authorization, direction, consent, waiver or other instrument required or permitted by this Agreement shall be delivered in person or duly mailed by first-class mail, postage prepaid at the addresses set forth below. Such notices may also be transmitted by electronic mail, but only if receipt is affirmatively acknowledged by the recipient in writing. Either party may, by notice, require subsequent notices to be given to another person or address.

To the Developer: North 94 Land Development, LLC
Attn: Randy Hines
PO Box 908
Stephenville, TX 76401
Email: rhines@hifamllc.com

With a copy to: Waterloo Legal Services, PLLC
Attn: Jeff Nydegger
500 W 2nd St. Ste. 1900
Austin, TX 78701

To the City: City of Stephenville, Texas
Attn: City Manager
298 W Washington Street
Stephenville, TX 76401
Email: jking@stephenvilltx.gov

With a copy to: City of Stephenville, Texas
Attn: General Counsel
298 W Washington Street
Stephenville, TX 76401
Email: randy.thomaslaw@gmail.com

- (e) *Texas Public Information Act.* The Parties acknowledge that this Agreement and certain other documents, records and reports shared with the City pursuant to or in connection with this Agreement (collectively, the "**Records**"), may be subject to TEX. GOV'T CODE, Ch. 552, as amended, or any successor law or other similar statutory provisions (the "**TPIA**"). Notwithstanding anything else in this Agreement to the contrary, should any member of the public request any Records pursuant to the TPIA, the City shall not be in breach of its confidentiality obligations under this Agreement for producing such Records in accordance with the TPIA. The City nevertheless agrees that it shall promptly notify the Developer upon receipt of a request for release of any Records to any member of the public pursuant to the TPIA and the City shall give the Developer the opportunity to submit briefings to the Office of the Texas Attorney General in the manner provided by the TPIA. It shall be the Developer's responsibility to assert any exceptions applicable to any records requested by the public pursuant to the TPIA.
- (f) *State Law Certifications.* By its execution and delivery of this Agreement, the Developer hereby certifies that all certifications contained in EXHIBIT E attached hereto are true and correct.
- (g) *No Violation of Prevailing State Law.* The City shall not be required to perform any act or refrain from performing any act if that performance or non-performance would constitute a violation of the constitution or laws of the State of Texas. Without limiting the foregoing, and notwithstanding any provision in this Agreement stating that (i) the City limits, waives, or releases a right to make a claim against the Developer or any other party or exculpates the Developer or any other party from liability, (ii) the City will indemnify or hold harmless the Developer or any other party, or (iii) the City will pay attorneys' fees incurred by the Developer or any other party, in each such

case, such waiver, release, or obligation shall be effective only to the extent authorized by the Constitution and laws of the State of Texas.

- (h) *Amendment or Modification to this Agreement.* This Agreement may be amended, modified and/or restated only by a written instrument adopted by the Parties and signed by the duly authorized representatives of the Parties hereto.
- (i) *Relationship of Parties; No Third-Party Beneficiaries.* The City and the Developer are not partners or joint venturers, nor is either the principal or agent of the other, and nothing herein will be construed to create any such relationship between the City and the Developer, or to render either the City or the Developer liable for any obligations of the other. The only beneficiaries of this Agreement are the City and the Developer. There are no third-party beneficiaries.
- (j) *Severability.* If any provision of this Agreement or the application thereof to any person or circumstances becomes invalid or unenforceable to any extent, the application of such provision to other persons or circumstances and the remainder of this Agreement will not be affected thereby and will be enforced to the greatest extent permitted by law.
- (k) *Waivers.* The failure of any Party to seek redress for violation of or to insist upon the strict performance of any agreement or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.
- (l) *Limitation on Remedies.* In no event shall either party be liable, whether in contract or tort or otherwise, to the other party for loss of profits, delay damages, punitive damages, exemplary damages, indirect damages, or for any special incidental or consequential loss or damage of any nature arising at any time or from any cause whatsoever.
- (m) *Governing Law; Venue.* This Agreement will be governed by and construed in accordance with the laws of the State of Texas. The obligations of the Parties are performable in Erath County, Texas, and venue for any dispute arising hereunder will lie exclusively in the state district courts located in Erath County, Texas.
- (n) *Successors and Assigns.* Each and all of the covenants and conditions of this Agreement shall be binding upon the Parties and shall inure to the benefit of their respective successors and assigns, including any bankruptcy trustee, administrator, or other custodian.
- (o) *Entire Agreement.* This Agreement and its exhibits contain the entire agreement between the Parties concerning its subject matter hereof, and supersedes any and all prior agreements, representations and understandings of the Parties. Neither Party nor its agents have made representations or promises concerning this Agreement except as expressly stated in this Agreement. No claim or liability may arise under this Agreement for any representations or promises not expressly stated (or incorporated by reference) in this Agreement.
- (p) *Counterparts; e-Signatures.* This Agreement may be signed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. The Parties agree that digital or facsimile signatures shall be given the same legal effect as original signatures, and the Parties hereby agree to accept delivery of digital signatures by e-mail in "pdf" form, or via DocuSign, Adobe Sign, or any similar means of digital delivery.

(Signature Page Follows)

The undersigned have signed and delivered this Preliminary Development Agreement to be effective as of the Effective Date.

NORTH 94 LAND DEVELOPMENT, LLC
a Texas limited liability company

By: _____
Randy Hines, Managing Member

CITY OF STEPHENVILLE, TEXAS
a Texas home-rule municipality

By: _____
Jason King, City Manager

EXHIBIT A
PROJECT SITE



EXHIBIT B
PRELIMINARY DEVELOPMENT SCHEDULE

| Milestone | Start Date | End Date |
|--|-------------------|-----------------------|
| Geotechnical Assessment | April 1, 2026 | April 14, 2026 |
| Schematic Design | March 23, 2026 | April 3, 2026 |
| Design Development | April 27, 2026 | May 29, 2026 |
| 50% Construction Drawings | June 1, 2026 | July 15, 2026 |
| 100% Construction Drawings | July 16, 2026 | August 28, 2026 |
| Construction Cost Estimating | July 16, 2026 | August 28, 2026 |
| Delivery of Final Development Proposal | N/A | Aug. 31, 2026 |
| Target Closing Date | N/A | Sept. 10, 2026 |

EXHIBIT C
PRELIMINARY DEVELOPMENT BUDGET

| Budget Item | Cost |
|---|-------------------|
| Geotechnical Assessment | \$ 9,200 |
| Archaeological and Historic Survey | \$ 20,000 |
| Title and Survey | \$ 5,000 |
| Architectural and Engineering Costs | \$ 350,000 |
| Construction Cost Estimating | \$ 16,000 |
| Insurance Costs | \$ 7,000 |
| Legal Fees | \$ 25,000 |
| Contingency | \$ 43,220 |
| Subtotal | \$ 475,420 |
| Developer's Fixed Fee | \$ 23,771 |
| Total Preliminary Development Budget | \$ 499,191 |

EXHIBIT D
INSURANCE REQUIREMENTS

- (a) *Qualifying Insurers.* All insurance policies shall be obtained from insurers authorized to do insurance business in the State of Texas or eligible surplus lines insurers operating in accordance with the Texas Insurance Code, having an A.M. Best Rating of A-VII or better.
- (b) *Required Liability Insurance Coverage and Limits.*
- (i) Commercial General Liability Insurance with limits of not less than: Each Occurrence Limit \$1,000,000; Personal & Advertising Injury \$1,000,000; General Aggregate \$2,000,000; Products - Completed Operations \$1,000,000.
 - (ii) Workers' Compensation Insurance with statutory limits, and Employer's Liability Insurance with limits of not less than: Employers Liability - Each Accident \$1,000,000; Employers Liability - Each Employee \$1,000,000; Employers Liability - Policy Limit \$1,000,000.
 - (iii) Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 combined single limit of liability per accident for Bodily Injury and Property Damage.
 - (iv) Professional Liability (E&O) with minimum limits of \$1,000,000 per occurrence and aggregate to be maintained for three years following termination of this Agreement.
 - (v) Umbrella/excess liability insurance with limits of not less than \$2,000,000 per occurrence. Such umbrella coverage will be excess over and at least as broad as the underlying coverage as required for Employer's Liability, Commercial General Liability and Business Auto Liability under subsections (i), (ii) and (iii) foregoing, respectively. Inception and expiration dates will be the same as the underlying policies. Drop down coverage will be provided for reduction or exhaustion of underlying aggregate limits and will provide a duty to defend for any insured.
- (c) *Endorsements.* The commercial general liability, business auto liability, and umbrella/excess liability policies will be endorsed and name the City of Stephenville, Texas as additional insureds for liability caused in whole or in part by the Developer's acts or omissions with respect to its ongoing operations up to the actual liability limits of the required insurance policies maintained by the Developer. Commercial general liability additional insured status, including ongoing and completed operations coverage, will be submitted with the certificates of insurance required above. Commercial general liability and business auto liability will include primary and non-contributory coverage in favor of the City.
- (d) *Waivers of Subrogation.* The Developer hereby waives and will cause each contractor or subcontractor to waive all rights of subrogation against the City. All Insurance Policies required hereunder will be endorsed to provide a waiver of subrogation in favor of the City. The waivers set forth above shall extend to the agent of each such person and their respective contractors and employees.

EXHIBIT E
STATE LAW CERTIFICATIONS

- (a) *Interested Parties Disclosure.* Prior to entering into this Agreement, and unless otherwise exempt therefrom, the Developer must file a certificate of Interested Parties Form 1295 (a "**1295 Certification**") with the Texas Ethics Commission through its electronic portal in accordance with TEX. GOV'T CODE § 2252.908, as amended, and has delivered evidence of filing to the City. The Developer acknowledges that the City has no obligation, and has not undertaken any responsibility, for advising the Developer with respect to the completion of its 1295 Certification, except for the provision of the contract identification numbers and description of services.
- (b) *State Law Certifications:*
- (i) In accordance with Tex. Gov't Code § 2271.002, the Developer certifies that neither the Developer nor any of its affiliates boycott Israel and that neither will boycott Israel during the term of any contract with the City. "Boycott Israel" has the meaning provided in Tex. Gov't Code § 808.001.
 - (ii) In accordance with Tex. Gov't Code § 2274.002, the Developer certifies that the Developer and its affiliates either: (A) meets an exemption criterion under Tex. Gov't Code § 2274.002, or (B) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and it will not discriminate against a firearm entity or firearm trade association during the term of any contract with the City. "Firearm entity" and "firearm trade association" have the meanings provided in Tex. Gov't Code § 2274.001.
 - (iii) In accordance with Tex. Gov't Code § 2275.0102, the Developer certifies that neither the Developer nor any of its affiliates (A) is headquartered in China, Iran, North Korea, Russia, or a designated country; and (B) is not owned by, nor is the majority of stock or other ownership interest of the Developer held or controlled by: (1) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country; or (2) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country. "Designated country" has the meaning specified under Tex. Gov't Code § 2275.0101.
 - (iv) In accordance with Tex. Gov't Code § 2276.002, the Developer certifies that the Developer and its affiliates either: (A) meets an exemption criterion under Tex. Gov't Code § 2276.002, or (B) does not boycott energy companies and will not boycott energy companies during the term of any contract with the City.
 - (v) The Developer certifies that neither the Developer nor any affiliate of the Developer is a company listed by the Texas Comptroller of Public Accounts under Tex. Gov't Code § 2252.153 or § 2270.0201.

For purposes of the foregoing certifications, the term "affiliate" means an entity that controls, is controlled by, or is under common control with the undersigned within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

STAFF REPORT



AGENDA ITEM: Consider Approval of an Ordinance Amending the City of Stephenville Code of Ordinances, Chapter 130, Article II, Section 130.16 – Sale of Alcoholic Beverages (B) Required; Fee

DEPARTMENT: Administration

STAFF CONTACT: Sarah Lockenour, City Secretary

CONSIDER APPROVAL OF ORDINANCE AMENDING CODE OF ORDINANCES, CHAPTER 130, ARTICLE II SECTION 130.16 – SALE OF ALCHOLIC BEVERAGES (B(REQUIRED;FEE

In 2008 through Ordinance No. 2008-O-27, the Stephenville Code of Ordinances, CHAPTER 130, ARTICLE II, SECTION 130.16 – SALE OF ALCOHOLIC BEVERAGES (B) REQUIRED; FEE adopted as follows:

No person within the city shall manufacture, sell, distribute or store any alcoholic beverage or engage in any other activity in relation thereto, for which a permit or license is required by the state alcoholic beverage code, without first obtaining a license to do so from the city. The fee for such license or permit shall be an amount equal to one-half the permit or license fee charged by the state under the state alcoholic beverage code.

Per Senate Bill 1008 passed in the 89th Texas Legislature:

SECTION 7. Section 437.01235, Health and Safety Code, is

amended to read as follows:

Sec. 437.01235. FEES FOR PREMISES WITH ALCOHOLIC BEVERAGE PERMIT OR LICENSE. Notwithstanding any other law, a [A] county, [or a] municipality, or public health district, including an authorized agent, employee, or department, [with a public health district that charges a fee for issuance or renewal of a permit under Section 437.012 or 437.0123 for a premises located in the county or municipality and permitted or licensed by the Texas Alcoholic Beverage Commission] may not [also] charge a fee under Section 11.38 or 61.36, Alcoholic Beverage Code, if the premises is a food

service establishment, retail food store, mobile food unit, roadside food vendor, or temporary food service establishment that has already paid a fee to operate to the department or to any county, municipality, or public health district [for issuance of an alcoholic beverage permit or license for the premises].

RECOMMENDATION:

Amend the Code of Ordinances as follows:

No person within the city shall manufacture, sell, distribute or store any alcoholic beverage or engage in any other activity in relation thereto, for which a permit or license is required by the state alcoholic beverage code, without first obtaining a license to do so from the city, **unless the licensee operates a food service establishment and has already paid a food service permit fee to the municipality.** If required the fee for such license or permit shall be an amount equal to one-half the permit or license fee charged by the state under the state alcoholic beverage code.

ORDINANCE NO. 2026-O-xx

AN ORDINANCE AMENDING THE CITY OF STEPHENVILLE CODE OF ORDINANCES, CHAPTER 130, ARTICLE II, SECTION 130.16 – SALE OF ALCOHOLIC BEVERAGES (B) REQUIRED; FEE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS, THAT:

SECTION 1.

The City of Stephenville Code of Ordinances, CHAPTER 130, ARTICLE II, SECTION 130.16 – SALE OF ALCOHOLIC BEVERAGES (B) REQUIRED; FEE currently reads:

No person within the city shall manufacture, sell, distribute or store any alcoholic beverage or engage in any other activity in relation thereto, for which a permit or license is required by the state alcoholic beverage code, without first obtaining a license to do so from the city. The fee for such license or permit shall be an amount equal to one-half the permit or license fee charged by the state under the state alcoholic beverage code.

SECTION 2.

The City of Stephenville Code of Ordinances, CHAPTER 130, ARTICLE II, SECTION 130.16 – SALE OF ALCOHOLIC BEVERAGES (B) REQUIRED; FEE is hereby amended as indicated below:

No person within the city shall manufacture, sell, distribute or store any alcoholic beverage or engage in any other activity in relation thereto, for which a permit or license is required by the state alcoholic beverage code, without first obtaining a license to do so from the city, unless the licensee operates a food service establishment and has already paid a food service permit fee to the municipality. If required the fee for such license or permit shall be an amount equal to one-half the permit or license fee charged by the state under the state alcoholic beverage code.

This ordinance shall become effective immediately upon its passage.

PASSED AND APPROVED this the 3rd day of March 2026.

Lonni Reisman, Mayor

ATTEST:

Sarah Lockenour, City Secretary

Reviewed by Jason King,
City Manager

Randy Thomas, City Attorney
Approved as to form and legality

Public Works

STAFF REPORT



SUBJECT: Civil Rights Resolution and Policies for the TxCDBG 0328 Grant Award - Tarleton Street Infrastructure Improvements Project

MEETING: Regular Business Meeting – 07 APR 2026

DEPARTMENT: Public Works

STAFF CONTACT: Nick Williams

RECOMMENDATION:

Staff recommends approval of the proposed resolution and associated policies, as they are required by the Texas Department of Agriculture (TDA) as a condition of receiving Texas Community Development Block Grant (TxCDBG) funding. Adoption of these items ensures the City of Stephenville’s compliance with applicable federal and state regulations, promotes transparency, and supports the city’s continued eligibility for current and future grant funding opportunities.

BACKGROUND:

Resolution 2024-R-12 was passed on November 5, 2024, authorizing the TxCDBG Program application to be filed on behalf of the City of Stephenville with the TDA, and to be placed in competition for grant funding.

The city was awarded the \$750,000 TxCDBG CDV25-0328 grant with a fifteen percent matching amount of \$112,500 in February of 2026.

The project provides sidewalk reconstruction as well as water, sewer, and stormwater infrastructure improvements along Tarleton Street from McIlhane to Everett Avenue.

The TDA requires the adoption of specific resolutions, policies, and procedures as a condition of receiving Texas Community Development Block Grant (TxCDBG) funding. Accordingly, the following resolution and summarized policies have been prepared to ensure the City of Stephenville’s compliance with all applicable federal and state requirements related to civil rights, citizen participation, fair housing, accessibility, and procurement standards.

This staff report serves to transmit the associated resolution and policies for council review and adoption consideration.

RESOLUTION AND POLICIES SUMMARY:

Resolution Regarding Civil Rights

The resolution affirms the City of Stephenville’s commitment to complying with all applicable federal civil rights requirements tied to its TxCDBG funding. It ensures nondiscrimination in programs and activities, promotes equal access to opportunities, and requires adherence to laws related to fair housing, accessibility, limited English proficiency, and protections for vulnerable populations. The resolution also reaffirms key local policies, including citizen participation, excessive force, fair housing, Section 504, and code of conduct, and commits the City to actions supporting Section 3 economic opportunities and fair housing initiatives.

Citizen Participation Plan

The Citizen Participation Plan establishes the City of Stephenville’s procedures for public involvement and complaint resolution related to its TxCDBG-funded projects. It outlines a formal process for submitting, investigating, and responding to complaints in a timely manner, while ensuring accessibility through language accommodations when needed.

Excessive Force Policy

The Excessive Force Policy affirms the City of Stephenville’s commitment to prohibiting the use of excessive force by law enforcement against individuals participating in non-violent civil rights demonstrations. It also requires enforcement of applicable laws to prevent the obstruction of access to or from such demonstration sites. The policy is formally adopted by resolution and supports compliance with federal requirements tied to TxCDBG funding.

Fair Housing Policy

This Fair Housing Policy affirms the City of Stephenville's commitment to promoting fair housing and equal opportunity in accordance with the Fair Housing Act. The city agrees to support housing choice for all protected classes and to complete at least one activity during the grant period that affirmatively furthers fair housing. The policy is formally adopted by resolution as part of compliance with TxCDBG program requirements.

Section 504 Policy Against Discrimination based on Handicap and Grievance Procedures

This Section 504 Policy establishes the City of Stephenville's commitment to prohibiting discrimination against individuals with disabilities in all federally assisted programs and activities. It ensures equal access to services, participation, employment, and program benefits, and requires the city to provide appropriate accommodations and accessible communications for individuals with hearing or visual impairments.

Code of Conduct: Conflict of Interest Policy Pertaining to Procurement Procedures

This Code of Conduct policy establishes the City of Stephenville's standards for preventing conflicts of interest in the procurement and administration of TxCDBG-funded contracts. It prohibits employees, officials, and agents from participating in contracting decisions where a real or perceived financial or personal interest exists and restricts the acceptance of gifts or favors from contractors.

The policy also ensures fair competition by barring entities involved in developing procurement specifications from competing for those contracts and extends conflict of interest restrictions to all parties benefiting from TxCDBG funds. Alleged violations are subject to review and may result in disciplinary action or legal consequences, ensuring integrity and transparency in the city's procurement processes.

ATTACHMENTS:

[Resolution Regarding Civil Rights](#)

[Citizen Participation Plan](#)

[Excessive Force Policy](#)

[Fair Housing Policy](#)

[Section 504 Policy Against Discrimination based on Handicap and Grievance Procedures](#)

[Code of Conduct: Conflict of Interest Policy Pertaining to Procurement Procedures](#)

RESOLUTION No. _____ Regarding Civil Rights -

The City of Stephenville, Texas

Whereas, the City of Stephenville, Texas, (hereinafter referred to as “City of Stephenville”) has been awarded TxCDBG funding through a TxCDBG grant from the Texas Department of Agriculture (hereinafter referred to as “TDA”);

Whereas, the City of Stephenville, in accordance with Section 109 of the Title I of the Housing and Community Development Act. (24 CFR 6); the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107); and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and for construction contracts greater than \$10,000, must take actions to ensure that no person or group is denied benefits such as employment, training, housing, and contracts generated by the CDBG activity, on the basis of race, color, religion, sex, national origin, age, or disability;

Whereas, the City of Stephenville, in consideration for the receipt and acceptance of federal funding, agrees to comply with all federal rules and regulations including those rules and regulations governing citizen participation and civil rights protections;

Whereas, the City of Stephenville, in accordance with Section 3 of the Housing and Urban Development Act of 1968, as amended, and 24 CFR Part 75, is required, to the greatest extent feasible, to provide training and employment opportunities to lower income residents and contract opportunities to businesses in the Section 3 Service Area;

Whereas, the City of Stephenville, in accordance with Section 104(1) of the Housing and Community Development Act, as amended, and State’s certification requirements at 24 CFR 91.325(b)(6), must adopt an excessive force policy that prohibits the use of excessive force against non-violent civil rights demonstrations;

Whereas, the City of Stephenville, in accordance with Executive Order 13166, must take reasonable steps to ensure meaningful access to services in federally assisted programs and activities by persons with limited English proficiency (LEP) and must have an LEP plan in place specific to the locality and beneficiaries for each TxCDBG project;

Whereas, the City of Stephenville, in accordance with Section 504 of the Rehabilitation Act of 1973, does not discriminate on the basis of disability and agrees to ensure that qualified individuals with disabilities have access to programs and activities that receive federal funds; and

Whereas, the City of Stephenville, in accordance with Section 808(e)(5) of the Fair Housing Act (42 USC 3608(e)(5)) that requires HUD programs and activities be administered in a manner affirmatively to further the policies of the Fair Housing Act, agrees to conduct at least one activity during the contract period of the TxCDBG contract, to affirmatively further fair housing;

Whereas, the City of Stephenville, in accordance with the Violence Against Women Act (VAWA) Reauthorization Act of 2022, to ensure that no local nuisance or crime-free ordinances must not result in penalties or eviction for victims of domestic violence and/or violent crimes.

Whereas, the City of Stephenville, agrees to maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS, that:

The CITY of STEPHENVILLE REAFFIRMS The following policies:

1. Citizen Participation Plan and Grievance Procedures (Form A1013);
2. Excessive Force Policy (Form A1003);
3. Fair Housing Policy (Form A1015).
4. Section 504 Policy and Grievance Procedures (Form A1004); and
5. Code of Conduct Policy (Form A1002).

The City affirms its commitment to:

6. Ensuring the right to seek law enforcement and/or emergency assistance as documented in the Violence Against Women Act Certification (Form A1025).

The City affirms its commitment to conduct a project-specific analysis and take all appropriate action necessary to comply with program requirements for the following:

7. Section 3 economic opportunity;
8. Limited English Proficiency; and
9. Activity to Affirmatively Furth Fair Housing choice.

Passed and approved this ____ day of _____, 2026.

Lonn Reisman, Mayor
City of Stephenville, Texas

ATTEST:

Sarah Lockenour, City Secretary
City of Stephenville, Texas

CITIZEN PARTICIPATION PLAN

TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

COMPLAINT PROCEDURES

These complaint procedures comply with the requirements of the Texas Department of Agriculture's Texas Community Development Block Grant (TxCDBG) Program and Local Government Requirements found in 24 CFR §570.486 (Code of Federal Regulations). Citizens can obtain a copy of these procedures at the City of Stephenville, 298 W. Washington, TX 76401, 254-918-1220 during regular business hours.

Below are the formal complaint and grievance procedures regarding the services provided under the TxCDBG project.

1. A person who has a complaint or grievance about any services or activities with respect to the TxCDBG project, whether it is a proposed, ongoing, or completed TxCDBG should contact City of Stephenville, at 298 W. Washington, TX 76401, or may call, 254-918-1220.
2. A copy of the complaint or grievance shall be transmitted by the City Secretary to the entity that is the subject of the complaint or grievance and to the City Attorney within five (5) working days after the date of the complaint or grievance was received.
3. The City shall complete an investigation of the complaint or grievance, if practicable, and provide a timely written answer to the person who made the complaint or grievance within ten (10) days.
4. If the investigation cannot be completed within ten (10) working days per 3 above, the person who made the grievance or complaint shall be notified, in writing, within fifteen (15) days where practicable after receipt of the original complaint or grievance and shall detail when the investigation should be completed.
5. If necessary, the grievance and a written copy of the subsequent investigation shall be forwarded to the TxCDBG for their further review and comment.
6. If appropriate, provide copies of grievance procedures and responses to grievances in both English and Spanish, or other appropriate language.

TECHNICAL ASSISTANCE

When requested, the City shall provide technical assistance to groups that are representative of persons of low- and moderate-income in developing proposals for the use of TxCDBG funds. The City, based upon the specific needs of the community's residents at the time of the request, shall determine the level and type of assistance.

PUBLIC HEARING PROVISIONS

For each public hearing scheduled and conducted by the City, the following public hearing provisions shall be observed:

1. Public notice of all hearings must be published at least seventy-two (72) hours prior to the scheduled hearing. The public notice must be published in a local newspaper. Each public notice must include the date, time, location, and topics to be considered at the public hearing. A published newspaper article can also be used to meet this requirement so long as it meets all content and timing requirements. Notices

should also be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.

2. When a significant number of non-English speaking residents are a part of the potential service area of the TxCDBG project, vital documents such as notices should be published in the predominant language of these non-English speaking citizens.
3. Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings and the City must make arrangements for individuals who require auxiliary aids or services if contacted at least two days prior to the hearing.
4. A public hearing held prior to the submission of a TxCDBG application must be held after 5:00 PM on a weekday or at a convenient time on a Saturday or Sunday.
5. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter should be present to accommodate the needs of the non-English speaking residents.

The City shall comply with the following citizen participation requirements for the preparation and submission of an application for a TxCDBG project:

1. At a minimum, the City shall hold at least one (1) public hearing prior to submitting the application to the Texas Department of Agriculture.
2. The City shall retain documentation of the hearing notice(s), a listing of persons attending the hearing(s), minutes of the hearing(s), and any other records concerning the proposed use of funds for three (3) years from closeout of the grant to the state. Such records shall be made available to the public in accordance with Chapter 552, Texas Government Code.
3. The public hearing shall include a discussion with citizens as outlined in the applicable TxCDBG application manual to include, but is not limited to, the development of housing and community development needs, the amount of funding available, all eligible activities under the TxCDBG program, and the use of past TxCDBG contract funds, if applicable. Citizens, with particular emphasis on persons of low- and moderate-income who are residents of slum and blight areas, shall be encouraged to submit their views and proposals regarding community development and housing needs. Citizens shall be made aware of the location where they may submit their views and proposals should they be unable to attend the public hearing.
4. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter should be present to accommodate the needs of the non-English speaking residents.

The City must comply with the following citizen participation requirements in the event that the City receives funds from the TxCDBG program:

1. The City shall also hold a public hearing concerning any substantial change, as determined by TxCDBG, proposed to be made in the use of TxCDBG funds from one eligible activity to another again using the preceding notice requirements.
2. Upon completion of the TxCDBG project, the City shall hold a public hearing and review its program performance including the actual use of the TxCDBG funds.
3. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, for either a public hearing concerning substantial change to the TxCDBG project or for the closeout of the TxCDBG project, publish notice in both English and Spanish, or other appropriate

language and provide an interpreter at the hearing to accommodate the needs of the non-English speaking residents.

4. The City shall retain documentation of the TxCDBG project, including hearing notice(s), a listing of persons attending the hearing(s), minutes of the hearing(s), and any other records concerning the actual use of funds for a period of three (3) years from closeout of the grant to the state. Such records shall be made available to the public in accordance with Chapter 552, Texas Government Code.

Lonn Reisman, Mayor

Date

Excessive Force Policy

In accordance with 24 CFR 91.325(b)(6), City of Stephenville hereby adopts and will enforce the following policy with respect to the use of excessive force:

1. It is the policy of City of Stephenville to prohibit the use of excessive force by the law enforcement agencies within its jurisdiction against any individual engaged in non-violent civil rights demonstrations;
2. It is also the policy of City of Stephenville to enforce applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.
3. City of Stephenville will introduce and pass a resolution adopting this policy.

As officers and representatives of City of Stephenville, we the undersigned have read and fully agree to this plan, and become a party to the full implementation of this program.

Lonn Reisman, Mayor

Date

Fair Housing Policy

In accordance with Fair Housing Act, the City of Stephenville hereby adopts the following policy with respect to the Affirmatively Furthering Fair Housing:

1. City of Stephenville agrees to affirmatively further fair housing choice for all seven protected classes (race, color, religion, sex, disability, familial status, and national origin).
2. City of Stephenville agrees to plan at least one activity during the contract term to affirmatively further fair housing.
3. City of Stephenville will introduce and pass a resolution adopting this policy.

As officers and representatives of the City of Stephenville, we the undersigned have read and fully agree to this plan, and become a party to the full implementation of this program.

Lonn Reisman, Mayor

Date

**Section 504 Policy Against Discrimination
based on Handicap and Grievance Procedures**

In accordance with 24 CFR Section 8, Nondiscrimination based on Handicap in federally assisted programs and activities of the Department of Housing and Urban Development, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Section 109 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5309), City of Stephenville hereby adopts the following policy and grievance procedures:

1. Discrimination prohibited. No otherwise qualified individual with handicaps in the United States shall, solely by reason of his or her handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance from the Department of Housing and Urban Development (HUD).
2. The City of Stephenville does not discriminate on the basis of handicap in admission or access to, or treatment or employment in, its federally assisted programs and activities.
3. The City of Stephenville recruitment materials or publications shall include a statement of this policy in 1. above.
4. The City of Stephenville shall take continuing steps to notify participants, beneficiaries, applicants and employees, including those with impaired vision or hearing, and unions or professional organizations holding collective bargaining or professional agreements with the recipients that it does not discriminate on the basis of handicap in violation of 24 CFR Part 8.
5. For hearing and visually impaired individuals eligible to be served or likely to be affected by the TxCDBG program, City of Stephenville shall ensure that they are provided with the information necessary to understand and participate in the TxCDBG program.
6. Grievances and Complaints
 - A. Any person who believes she or he has been subjected to discrimination on the basis of disability may file a grievance under this procedure. It is against the law for City of Stephenville to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.
 - B. Complaints should be addressed to: City Secretary, 298 W. Washington St. Stephenville, TX 76401 or call 254-918-1220, who has been designated to coordinate Section 504 compliance efforts
 - C. A complaint should be filed in writing or verbally, contain the name and address of the person filing it, and briefly describe the alleged violation of the regulations.
 - D. A complaint should be filed within thirty (30) working days after the complainant becomes aware of the alleged violation.
 - E. An investigation, as may be appropriate, shall follow a filing of a complaint. The investigation will be conducted by City Secretary. Informal but thorough investigations will afford all interested persons and their representatives, if any, an opportunity to submit evidence relevant to a complaint.
 - F. A written determination as to the validity of the complaint and description of resolution, if any, shall be issued by City Secretary, and a copy forwarded to the complainant with fifteen (15) working days after the filing of the complaint where practicable.

- G. The Section 504 coordinator shall maintain the files and records of the City of Stephenville relating to the complaints files.
- H. The complainant can request a reconsideration of the case in instances where he or she is dissatisfied with the determination/resolution as described in f. above. The request for reconsideration should be made to the City of Stephenville within ten working days after the receipt of the written determination/resolution.
- I. The right of a person to a prompt and equitable resolution of the complaint filed hereunder shall not be impaired by the person's pursuit of other remedies such as the filing of a Section 504 complaint with the U.S. Department of Housing and Urban Development. Utilization of this grievance procedure is not a prerequisite to the pursuit of other remedies.
- J. These procedures shall be construed to protect the substantive rights of interested persons, to meet appropriate due process standards and assure that the City of Stephenville complies with Section 504 and HUD regulations.

Lonn Reisman, Mayor

Date

CODE OF CONDUCT
CONFLICT OF INTEREST POLICY PERTAINING TO PROCUREMENT PROCEDURES

As a Grant Recipient of a TxCDBG contract, the City of Stephenville shall avoid, neutralize or mitigate actual or potential conflicts of interest so as to prevent an unfair competitive advantage or the existence of conflicting roles that might impair the performance of the TxCDBG contract or impact the integrity of the procurement process.

For procurement of goods and services, no employee, officer, or agent of the City of Stephenville shall participate in the selection, award, or administration of a contract supported by TxCDBG funds if he or she has a real or apparent conflict of interest. Such a conflict could arise if the employee, officer or agent; any member of his/her immediate family; his/her partner; or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

No officer, employee, or agent of the City of Stephenville shall solicit or accept gratuities, favors or anything of monetary value from contractors or firms, potential contractors or firms, or parties to sub-agreements, except where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

Contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.

For all other cases, no employee, agent, consultant, officer, or elected or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or subrecipients which are receiving TxCDBG funds, that has any grant-related function/responsibility, or is in a position to participate in a decision-making process or gain inside information, may obtain a financial interest or benefit from the federal or state grant activity.

The conflict of interest restrictions and procurement requirements identified herein shall apply to a benefitting business, utility provider, or other third party entity that me or all work under a TxCDBG contract in order to meet any National Program Objectives.

Any person or entity including any benefitting business, utility provider, or other third party entity that is receiving assistance, directly or indirectly, under a TxCDBG contract or award, or that is required to complete some or all work under the TxCDBG contract in order to meet a National Program Objective, that might potentially receive benefits from TxCDBG awards may not participate in the selection, award, or administration of a contract supported by CDBG funding.

Any alleged violations of these standards of conduct shall be referred to the City of Stephenville's Attorney. Where violations appear to have occurred, the offending employee, officer or agent shall be subject to disciplinary action, including but not limited to dismissal or transfer; where violations or infractions appear to be substantial in nature, the matter may be referred to the appropriate officials for criminal investigation and possible prosecution.

Lonn Reisman, Mayor

Date

Public Works
STAFF REPORT



SUBJECT: Section 3 HUD Requirements Presentation for the 2025-2026 TxCDBG 0328 Grant Award - Tarleton Street Infrastructure Improvements Project

MEETING: Regular Business Meeting – 07 APR 2026

DEPARTMENT: Public Works

STAFF CONTACT: Nick Williams

RECOMMENDATION:

No action is required.

This presentation is provided to fulfill TDA documentation requirements for the Texas Community Development Block Grant.

BACKGROUND:

The City of Stephenville has been awarded TxCDBG Grant Contract No. CDV25-0328 in the amount of \$750,000 through the U.S. Department of Housing and Urban Development (HUD) and the Texas Department of Agriculture (TDA) for water, sewer, and sidewalk improvements.

As a condition of funding, the city is required to comply with Section 3 of the Housing and Urban Development Act of 1968, as amended. Updated federal regulations (24 CFR Part 75), effective November 30, 2020, and adopted by TDA on July 1, 2021, require grant recipients to present Section 3 requirements to their governing body.

FINANCIAL IMPACT:

There is no additional financial impact associated with this presentation beyond the approved grant funding.

ATTACHMENTS:

- [Presentation Summary](#)
- [Section 3 Policy Updates – Effective July 1, 2021](#)

PRESENTATION SUMMARY

The City of Stephenville received Grant Contract CDV25-0328 the amount of \$750,000, funded through the Community Development Block Grant, via the U.S. Department of Housing and Urban Development and Texas Department of Agriculture, for the purpose of water, sewer, and sidewalk improvements.

The overall purpose of Section 3 is to facilitate contract and employment opportunities for low and very low-income workers, specifically those that live close to the project location. To report on these efforts, the presentation details new reporting requirements and other efforts to increase Section 3 participation in the CDBG program.

HUD instituted new Section 3 policy requirements (24 CFR 75), effective November 30, 2020.

In July 1, 2021, TDA implemented the final rule for all existing and future construction CDBG grants. As part of these requirements, each grant recipient is required to review and discuss a Section 3 Presentation during a meeting of its governing body.

The additional pages dive deeper into Section 3 concepts, definitions for Section 3 businesses and workers, contractor outreach recommendations for new hires, and recordkeeping requirements pertaining to the grant.

Going forward, the grant administrator (Public Management, Inc) will coordinate with all parties to:

- Monitor public postings and contractor requirements pertaining to Section 3 provisions
- Track the number of hours of anyone who works on the grant project, including
 - Local government employees (i.e., City secretary, City Administrator, Public Works, WSC Operators, etc)
 - Construction contractor's laborers and staff
 - Grant administration employees.
 - *Engineers, surveyors, and other professionals are exempt for hourly reporting requirements

There is no action required tonight. This presentation is simply required in order to meet the documentation required for the TDA grant. Please reach out to the Public Works Department to coordinate with the grant administrator with any questions on these changes.

Section 3 Policy Updates - Effective July 1, 2021 Presentation

The City of Stephenville recently received Grant Contract CDV25-0328 for the amount of \$750,000, funded through the Community Development Block Grant, via the U.S. Department of Housing and Urban Development and Texas Department of Agriculture for water, sewer, and sidewalk improvements.

SECTION 3 CONCEPTS

As a condition of funding, the City must comply with Section 3 of the Housing and Urban Development Act of 1968. To the greatest extent feasible, Grant Recipients must direct economic opportunities generated by CDBG funds to low- and very low-income persons.

In part, this means ensuring that:

- Section 3 Businesses have the information to submit a bid or proposal for the project; and
- Section 3 Workers have information about any available job opportunities related to the project.

The purpose of this presentation is to discuss the Section 3 goals of the CDBG program and facilitate employment opportunities for Section 3 workers.

The awarded construction contractor may have job opportunities for local residents. If they do need to make new hires for this job, they will post job listings on WorkInTexas.com.

SECTION 3 BUSINESSES

A company may qualify as a Section 3 Business if:

- it is owned by low-income persons;
- it is owned by Section 8-Assisted housing residents; or
- 75% of all labor hours for the business in a 3-month period are performed by Section 3 Workers

Register at:

- Any Local/Regional registry for disadvantaged businesses [if applicable]

This project is expected to include the following contracting opportunities:

- Grant Administration services (previously selected)
- Engineering Services (previously selected)
- Prime Contractor for construction Improvements (previously selected)
- Subcontractors for construction Improvements (previously selected)

SECTION 3 WORKERS

You may qualify as a Section 3 Worker if:

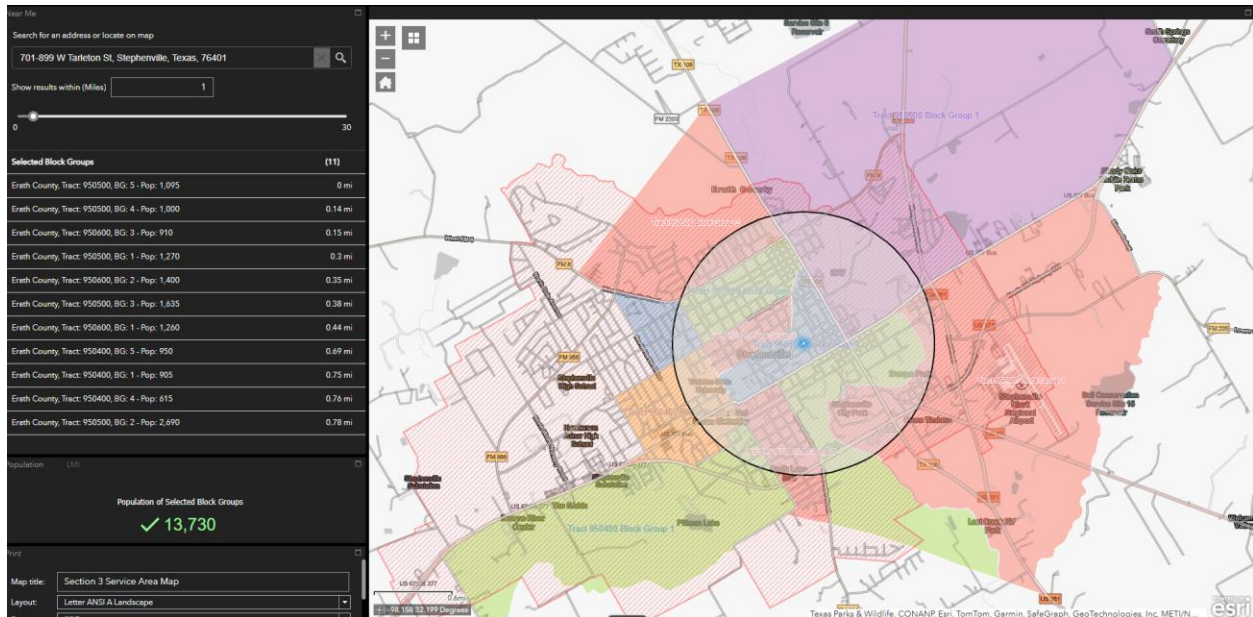
- Annual income is below the LMI county threshold for a family size of 1
- Is currently or recent (within 5 years) Youthbuild participant

Register your information and search for opportunities at:

- WorkInTexas.gov
- local/regional job boards, if applicable.

TARGETED SECTION 3 WORKERS

Section 3 Workers who reside near the project location may also qualify as Targeted Section 3 Workers. For this project, that **service area** is defined by the circled area in the map below:



RECORDKEEPING

The City is required to track ALL hours worked on the project based on the three categories of workers (All, Section, 3 and Targeted Section 3). This requirement applies to all City staff that works on this grant, including the contracted grant administrator, and all employees of the prime and subcontractors. This will require collection of certain income information.

**Engineers, surveyors, and similar professions are exempt from this time tracking requirement.*



For More Information:

TxCDBG Policy Issuance 20-01

[REVISED Policy Issuance 20-01 Section 3 v1.pdf \(texasagriculture.gov\)](#)

24 CFR Part 75

[Electronic Code of Federal Regulations \(eCFR\)](#)

TDA Representative: Suzanne Barnard, Director. (suzanne.barnard@texasagriculture.gov)

Grant Project Manager: Morgan Verette (MVerette@publicmgt.com)

Public Works
STAFF REPORT



SUBJECT: Erath County Humane Society – Private Sanitary Sewer Easement
MEETING: Regular Business Meeting – 07 APR 2026
DEPARTMENT: Public Works
STAFF CONTACT: Nick Williams

RECOMMENDATION:

Staff recommends granting Erath County Humane Society (ECHS) a private sanitary sewer easement at the Stephenville Wastewater Treatment Plant (WWTP).

BACKGROUND:

The ECHS development at 1300 County Road 454 is directly adjacent to the WWTP.

To provide sanitary sewer service to the new facility, ECHS is requesting to install a private sanitary sewer service line on the city’s property at the WWTP. The proposed private sewer service line will be owned and maintained by ECHS and will connect to an existing sanitary sewer manhole located outside the chain link fence that encloses the plant’s active grounds. The easement is necessary to allow ECHS the ability to construct the proposed private sanitary sewer service line and access the line for maintenance with city coordination.

The final easement agreement shall be subject to the review and approval of the city attorney. A copy of the easement document including meets and bounds description is attached.

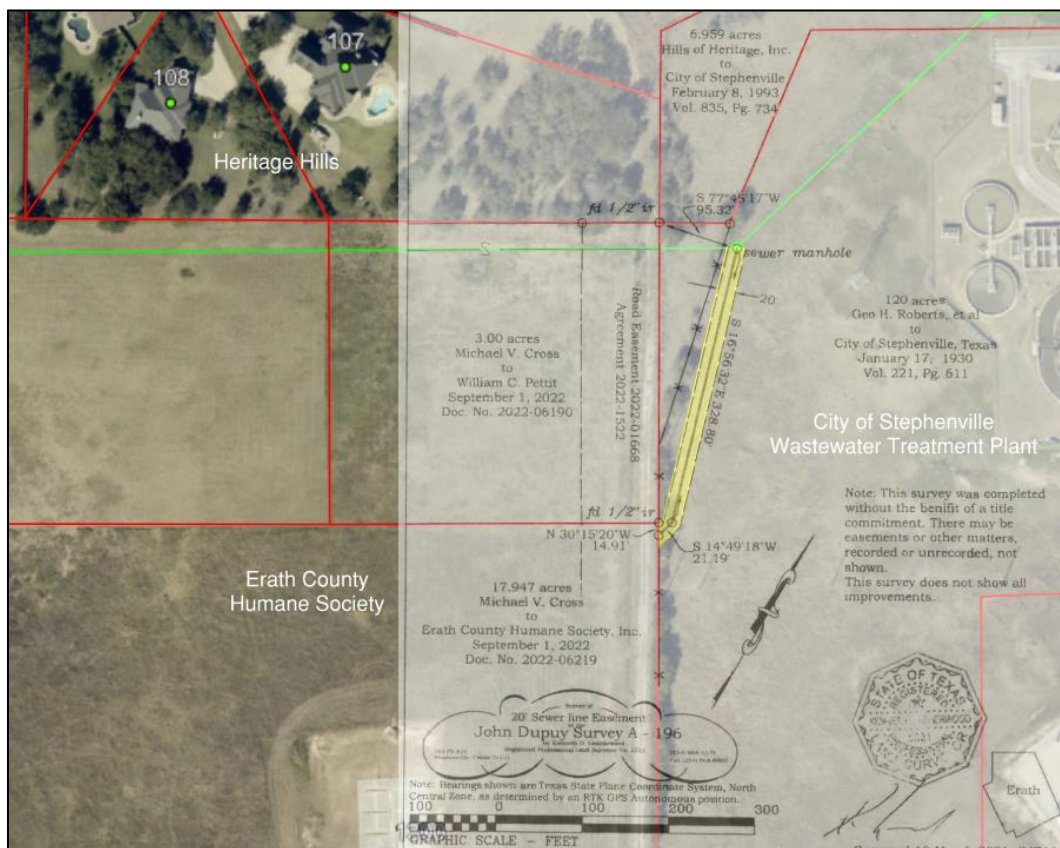
RESOLUTION AND POLICIES SUMMARY:

There is no monetary cost to the city to grant the private sanitary sewer easement to ECHS or to install the proposed private sewer service line.

ATTACHMENTS:

Attached is a copy of the proposed easement document including meets and bounds description.

[2026_04-07 - Erath County Humane Society - Private Sanitary Sewer Easement](#)



Private Sanitary Sewer Easement

Date: _____

Grantor: The City of Stephenville

Grantor's Mailing Address: 298 W. Washington Street, Stephenville, Texas 76401

Grantee: Erath County Humane Society

Grantee's Mailing Address: P.O. Box 2006, Stephenville, Texas 76401

Easement Property: See Exhibit "A" attached hereto and made a part hereof for all purposes.

Easement Purpose: For the installation, construction, operation, maintenance, replacement, repair, upgrade, and removal of a private sanitary sewer service line and related facilities (collectively, the "Facilities").

Consideration: Ten dollars (\$10.00) and other good and valuable consideration, and mutual benefit the receipt and sufficiency of which are acknowledged by Grantor.

Grant of Easement: Grantor, for the Consideration, grants, sells, and conveys to Grantee and Grantee's successors and assigns an easement over, on, and across the Easement Property for the Easement Purpose, together with all and singular the rights and appurtenances thereto in any way belonging (collectively, the "Easement"), to have and to hold the Easement to Grantee and Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's successors and assigns to warrant and forever defend the title to the Easement in Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the Easement or any part of the Easement.

Terms and Conditions: The following terms and conditions apply to the Easement granted by this agreement:

1. Duration of Easement. The duration of the Easement is perpetual.
2. Reservation of Rights. Grantor reserves for Grantor and Grantor's successors and assigns the right to use all or part of the Easement Property in conjunction with Grantee as long as such use by Grantor and Grantor's successors and assigns does not interfere with the use of the Easement Property by Grantee for the Easement Purpose.
3. Improvement and Maintenance of Easement Property. Grantee has the right of ingress and egress to the Easement property subject to coordination with Grantor. Grantee has the right to construct, install, maintain, replace, and remove the Facilities under, on, over, or across any portion of the Easement Property. All matters concerning the Facilities and their configuration, construction, installation, maintenance, replacement and removal shall be coordinated with the Grantor. Grantor is responsible for maintaining the Easement Property.

EXECUTED this _____ day of _____, _____.

GRANTOR:
CITY OF STEPHENVILLE

GRANTEE:
ERATH COUNTY HUMANE SOCIETY

Jason M. King
City Manager

Name: _____
Title: _____

ATTEST

Sarah Lockenour
City Secretary

APPROVED AS TO FORM AND LEGALITY

Randy Thomas
City Attorney

STATE OF TEXAS §

COUNTY OF ERATH §

This instrument was acknowledged before me on the ____ day of _____, 20__ by Jason M. King, City Manager of the City of Stephenville, on behalf of the City of Stephenville.

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF ERATH §

This instrument was acknowledged before me on the ____ day of _____, 20__ by _____.

Notary Public, State of Texas

Kenneth D. Leatherwood
Registered Professional Land Surveyor

384 PR 829
Stephenville, Texas 76401

Phone 254 968 5539
txrpls5531@gmail.com

Land Description

State of Texas:
County of Erath:

All that certain 20' wide sewer line easement in the John Dupuy Survey, A - 196, in Erath County, Texas, crossing a part of that certain 120 acre tract described in deed from Geo. H. Roberts, et al to the City of Stephenville, Texas, dated January 17, 1930, and recorded in volume 221, page 611 of the deed records of Erath County, Texas, and being 10' right and left of the following described centerline;

Beginning at an existing sewer manhole with the said 120 acre tract, for the northern terminus of this easement, from which a capped ½" iron rod found at the most westerly northwest corner of the said 120 acre tract, the southwest corner of a 6.959 acre tract described in deed from Hills of Heritage, Inc. to the City of Stephenville, Texas, dated February 8, 1993, and recorded in volume 835, page 734 of the deed records of Erath County, Texas, and the northeast corner of a 3.00 acre tract described in deed from Michael V. Cross to William C. Pettit, dated September 1, 2022, and recorded in document number 2022-06190 of the official public records of Erath County, Texas, bears S 77° 45' 17" W, 95.32';

Thence crossing the said 120 acre tract as follows:

S 16° 56' 32" E, 328.80' to a stake;

And S 14° 49' 18" W, 21.19' to a stake set in the west line of the said 120 acre tract, the east line of a 17.497 acre tract described in deed from Michael V. Cross to the Erath County Humane Society, Inc., dated September 1, 2022, and recorded in document number 2022-06219 of the official public records of Erath County, Texas, for the southern terminus of this easement, from which a capped ½" iron rod found at the northeast corner of the said 17.947 acre tract bears N 30° 15' 20" W, 14.91'.



I, Kenneth D. Leatherwood, Registered Professional Land Surveyor No. 5531, of the State of Texas, certify that these field notes and accompanying plat are correct to the best of my knowledge and represent a survey made on the ground by me personally on March 10, 2026.

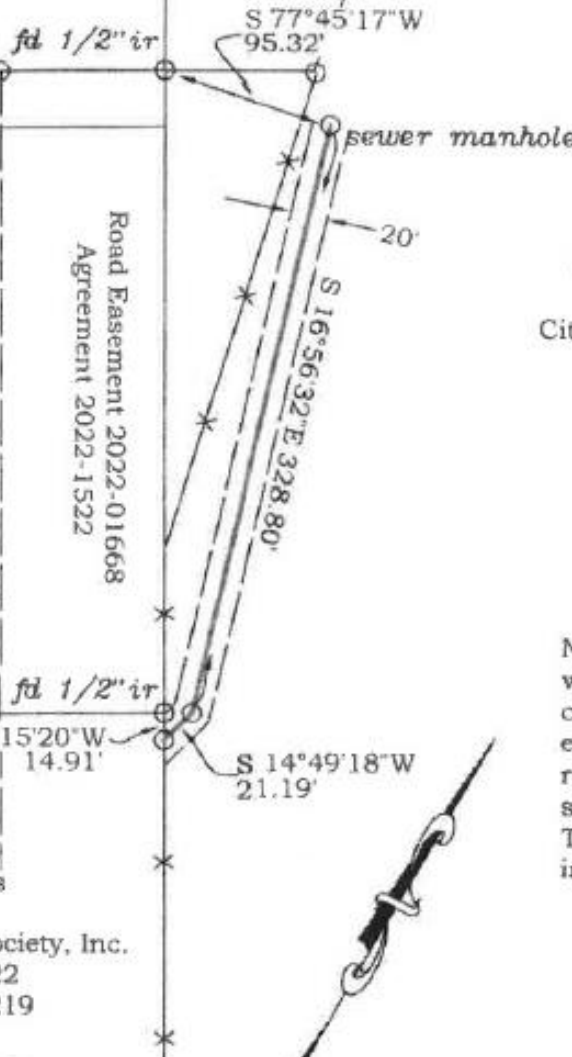


6.959 acres
Hills of Heritage, Inc.
to
City of Stephenville
February 8, 1993
Vol. 835, Pg. 734

3.00 acres
Michael V. Cross
to
William C. Pettit
September 1, 2022
Doc. No. 2022-06190

120 acres
Geo H. Roberts, et al
to
City of Stephenville, Texas
January 17, 1930
Vol. 221, Pg. 611

17.947 acres
Michael V. Cross
to
Erath County Humane Society, Inc.
September 1, 2022
Doc. No. 2022-06219



Note: This survey was completed without the benefit of a title commitment. There may be easements or other matters, recorded or unrecorded, not shown.
This survey does not show all improvements.

Survey of
20' Sewer line Easement
in the
John Dupuy Survey A - 196
by Kenneth D. Leatherwood
Registered Professional Land Surveyor No. 5511

364 191 029
Stephenville, Texas 76781

(254) 968-5539
Fax (254) 968-6960



Note: Bearings shown are Texas State Plane Coordinate System, North Central Zone, as determined by an RTK GPS Autonomous position.

100 0 100 200 300

GRAPHIC SCALE - FEET

Surveyed 10 March 2026 C4748

STAFF REPORT



SUBJECT: Application No.: RP/RZ 2026-9451

Applicant Johnny Hopper, representing Park 51, LLC., is requesting approval of a Replat with simultaneous rezoning of a portion of property located at 125 W. Oak Street, Parcel R31420, being approximately 1.00 acres of the S3500 Frey First Addition, BLK. 26; LOT 9 of the City of Stephenville, Erath County, Texas from "I", Industrial, to " R-2.5," Integrated Housing.

DEPARTMENT: Development Services

STAFF CONTACT: Jason King, City Manager

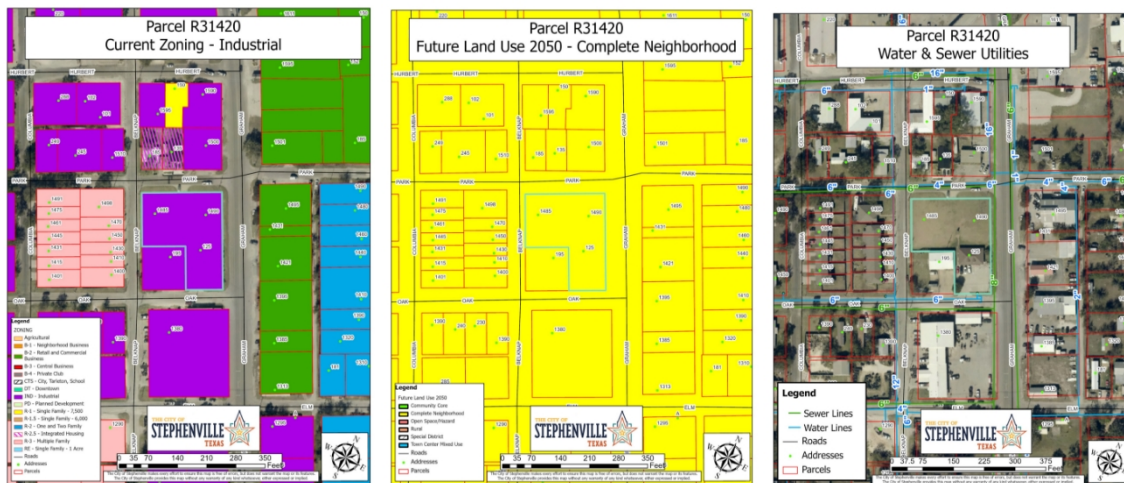
BACKGROUND:

The applicant is requesting a rezone to R-2.5 to allow smaller lot dimensions for the construction of three single-family homes, two fronting Park St., and one fronting Belknap Steet. The remainder of the property will keep the existing Industrial Zoning. The replat establishes the appropriate lot dimensions and setback requirements as required for single-family residences; and generally speaking, subject to approval as a minor replat.

RECOMMENDATION:

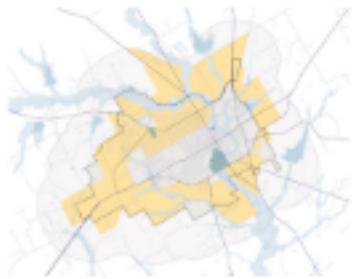
The Planning and Zoning Commission convened on March 18, 2026, and by unanimous vote, recommended the City Council approve the rezone request. The Commission also granted conditional approval of the replat. If the rezone is not approved by City Council, the replat is consequently denied.

PROPERTY PROFILE:



Complete Neighborhood

The Complete Neighborhood land use accommodates a mix of uses at a moderate density. A mix of housing types is encouraged to accommodate a range of residents. Local retail and service businesses are located on active corridors and parks and green spaces are integrated within the district.

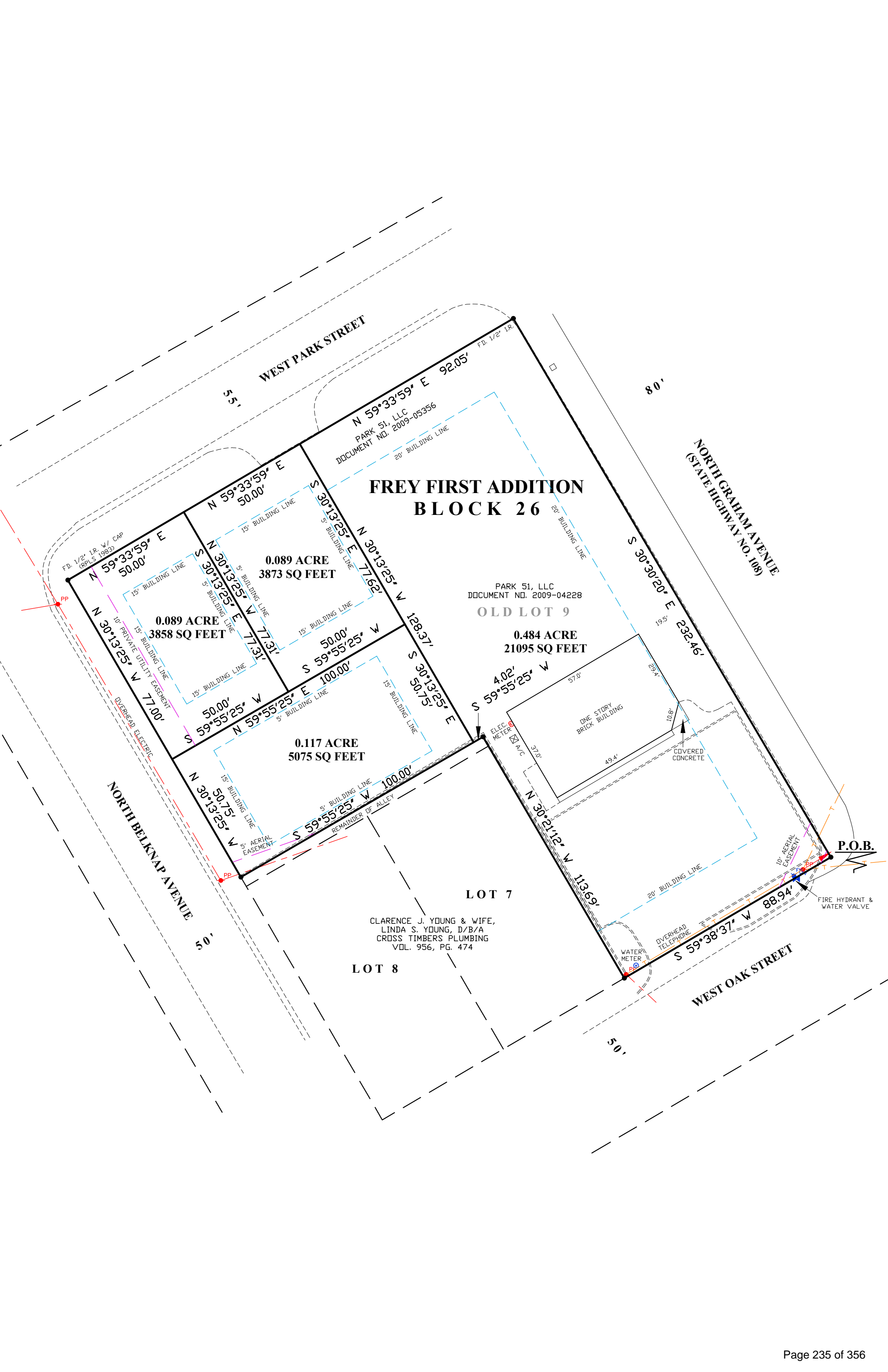


Sec. 155.4.03. General subdivision and platting procedures.

- A. *Plats Required for Land Subdivision.* A Preliminary Plat or Minor Plat shall be approved prior to any land division that is subject to these regulations and prior to commencement of any new development.
- B. *Replats and Amending Plats.*
 - 1. *Replat.* A Replat, in accordance with State law, and the provisions of Section 4.08 shall be required any time a platted, recorded lot is further divided or expanded, thereby changing the boundary and dimensions of the property.
 - 2. *Amending Plat.* In the case of minor revisions to recorded Plats or lots, an Amending Plat may also be utilized if in accordance with Section 4.09.
- C. *Zoning.*
 - 1. *Conformance with Existing Zoning.* All Applications shall be in conformance with the existing zoning on property inside the City Limits.
 - 2. *Request to Rezone First.* If an Applicant seeks to amend the zoning for the property, the request to rezone the land shall be submitted and approved prior to acceptance of an Application for filing of a plat, unless as otherwise provided below.
 - a. The Applicant may request approval from the City Administrator to submit an application simultaneous with the zoning change request, in which case the Application for the zoning amendment shall be acted upon first, provided that the Application is accompanied by a properly executed Waiver of Right to 30-Day Action (due to the more lengthy time frame necessary to advertise and process zoning Applications).
 - b. In the event that the requested zoning amendment is denied, the Plat Application shall also be rejected or denied.
 - 3. *Zoning Ordinance Site Plan Approval.* Where Site Plan approval is required by the Zoning Ordinance prior to development, no Application for a Final Plat approval shall be accepted for filing until a Site Plan has been approved for the land subject to the proposed Plat.

ALTERNATIVES

1. Accept the recommendation from the Planning and Zoning Commission and approve the rezone request.
2. Deny the rezone request. Such denial will also result in the denial of the replat.



**FREY FIRST ADDITION
BLOCK 26**

PARK 51, LLC
DOCUMENT NO. 2009-04228
OLD LOT 9

**0.484 ACRE
21095 SQ FEET**

**0.089 ACRE
3858 SQ FEET**

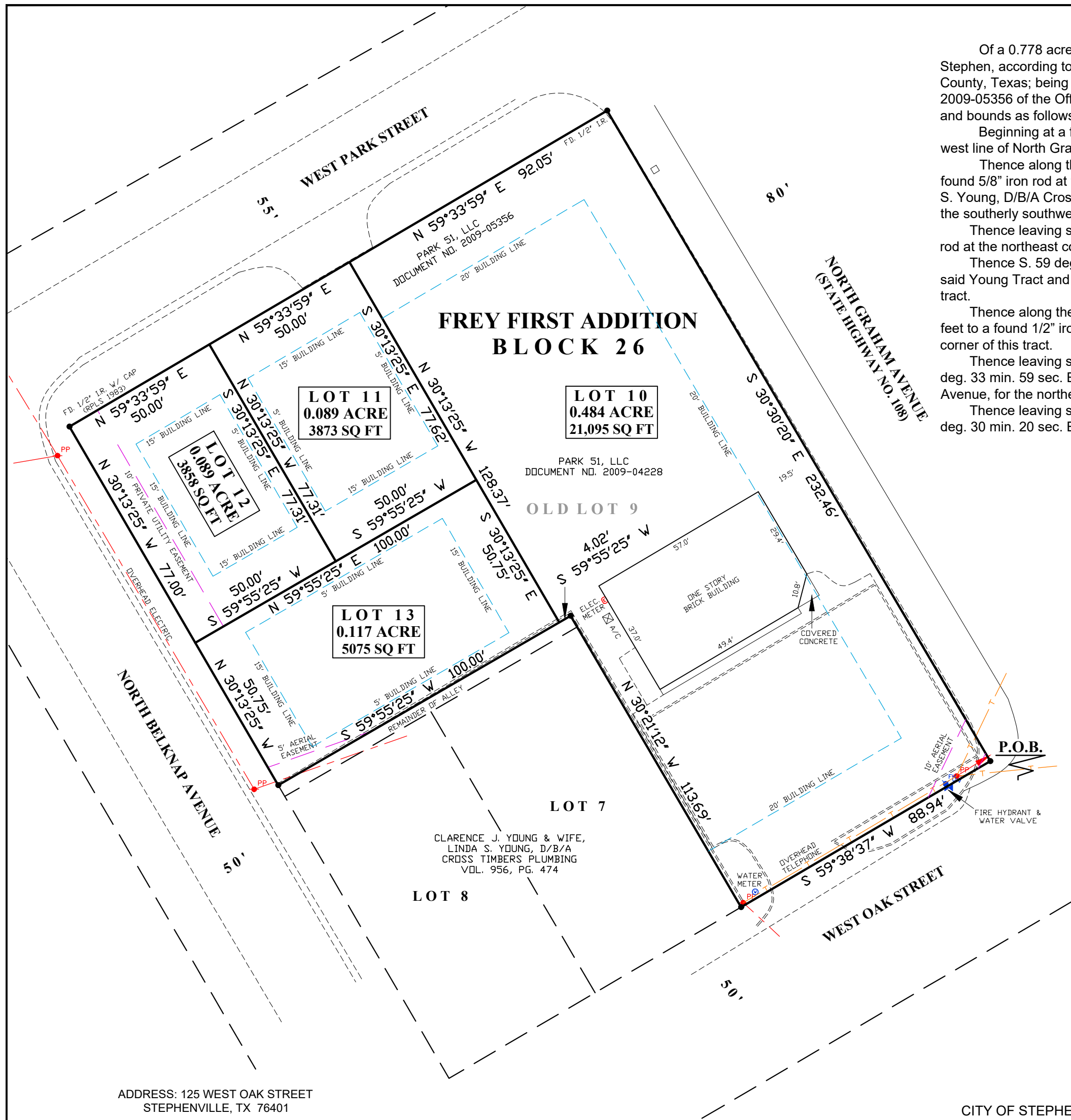
**0.089 ACRE
3873 SQ FEET**

**0.117 ACRE
5075 SQ FEET**

LOT 7

LOT 8

CLARENCE J. YOUNG & WIFE,
LINDA S. YOUNG, D/B/A
CROSS TIMBERS PLUMBING
VOL. 956, PG. 474



LAND DESCRIPTION

Of a 0.778 acre tract of land, being all of Lot 9 in Block 26 of the Frey First Addition to the City of Stephen, according to the plat thereof recorded in Cabinet B, Slide 95A of the Plat Records of Erath County, Texas; being all the property deeded to Park 51, LLC in Document No. 2009-04228 & 2009-05356 of the Official Public Records of Erath County, Texas; and being further described by metes and bounds as follows:

Beginning at a found 5/8" iron rod at the intersection of the north line of West Oak Street and the west line of North Graham Avenue, for the southeast and beginning corner of this tract.

Thence along the north line of said West Oak Street, S. 59 deg. 38 min. 37 sec. W. 88.94 feet to a found 5/8" iron rod at the southeast corner of a certain tract deeded to Clarence J. Young and wife, Linda S. Young, D/B/A Cross Timbers Plumbing in Volume 956, Page 474 of said Official Public Records, for the southerly southwest corner of this tract.

Thence leaving said West Oak Street, N. 30 deg. 21 min. 12 sec. W. 103.94 feet to a found 5/8" iron rod at the northeast corner of said Young Tract, for an interior corner of this tract.

Thence S. 59 deg. 55 min. 25 sec. W. 104.02 feet to a found 5/8" iron rod at the northwest corner of said Young Tract and in the east line of North Belknap Avenue, for the westerly southwest corner of this tract.

Thence along the east line of said North Belknap Avenue, N. 30 deg. 13 min. 25 sec. W. 127.75 feet to a found 1/2" iron rod with cap (RPLS 1983) in the south line of West Park Street, for the northwest corner of this tract.

Thence leaving said North Belknap Avenue and along the south line of said West Park Street, N. 59 deg. 33 min. 59 sec. E. 192.05 feet to a found 1/2" iron rod in the west line of said North Graham Avenue, for the northeast corner of this tract.

Thence leaving said West Park Street and along the west line of said North Graham Avenue, S. 30 deg. 30 min. 20 sec. E. 232.46 feet to the place of beginning.

OWNER'S CERTIFICATE

Now therefore know all men by these presents:

That, Park 51, LLC, owner, does hereby adopt this plat designating the herein described property as Lots 10 thru 13 in Block 26 of the Frey First Addition to the City of Stephenville, Erath County, Texas. The easements shown thereon are hereby reserved for the purposes as indicated. No buildings, fences, trees, shrubs, or other improvements or growths shall be constructed, reconstructed, or placed upon, over or across the easements shown. Said easements being hereby reserved for the mutual use and accommodation of all public utilities using or desiring to use the same. Any, and all public utility shall have the right to remove and keep removed all or part of any buildings, fences, trees, or other improvements or growths which in any way endanger or interfere with the construction, maintenance, of efficiency of its respective system on the easements and all public utilities shall at all times have full right of ingress and egress to or from and upon reconstructing, inspecting, patrolling, maintaining, respective systems without the necessity at any time of procuring the permission of anyone.

Any public utility shall have the right of ingress and egress to private property for the purpose of reading meters and/or for any maintenance and service required or ordinarily performed by that utility. The easements dedicated are for the specific use of installing and maintaining water, sewer, electrical, natural gas, telephone, fiber or cablevision lines, and are not intended to be used for garbage dumpsters, the collection of garbage, or for the use of garbage vehicles in any manner.

This plat approved, subject to all platting ordinances, rules, regulations and resolutions of The City of Stephenville, Erath County, Texas.

Witness my hand, This the _____ day of _____, 20__

Owner _____

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____, known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed and in the capacity stated.

GIVEN under my hand and seal of office this _____ day of _____, 20__

Signature _____

My Commission Expires On _____

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
 COUNTY OF ERATH §

I, Gwinda Jones, Clerk of the County Court of Erath County, do hereby certify that the foregoing instrument in writing, with its certificate of authentication was filed for record and duly recorded in my office this the _____ day of _____, 20__ at _____ o'clock, _____ M., in the Official Public Records of Erath County in Document No. _____ Cabinet _____ Slide _____

TO CERTIFY WHICH, WITNESS my hand and seal at the County Court of Erath County, at my office in Erath, Texas, the date last shown above written.

BY: _____
 GWINDA JONES
 Clerk of County Court of Erath County, Texas

BY: _____
 Deputy

CITY OF STEPHENVILLE
 ERATH COUNTY, TEXAS

_____, Director of
 Development Services _____
 Date of Approval

Attest: _____, City Secretary _____
 Date

PLAT NOTES

1. CURRENT ZONING: IND - INDUSTRIAL
2. FUTURE BUILDINGS WILL BE REQUIRED TO MEET SETBACK REQUIREMENTS

ADDRESS: 125 WEST OAK STREET
 STEPHENVILLE, TX 76401

NOTE: THIS PROPERTY IS LOCATED WITHIN ZONE "X" (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN) ACCORDING TO F.I.R.M. PANEL 48143C0430D, EFFECTIVE NOVEMBER 16, 2011

BEARING BASIS:
 TEXAS STATE PLANE COORDINATE SYSTEM, NAD83
 NORTH CENTRAL TX ZONE, US SURVEY FOOT

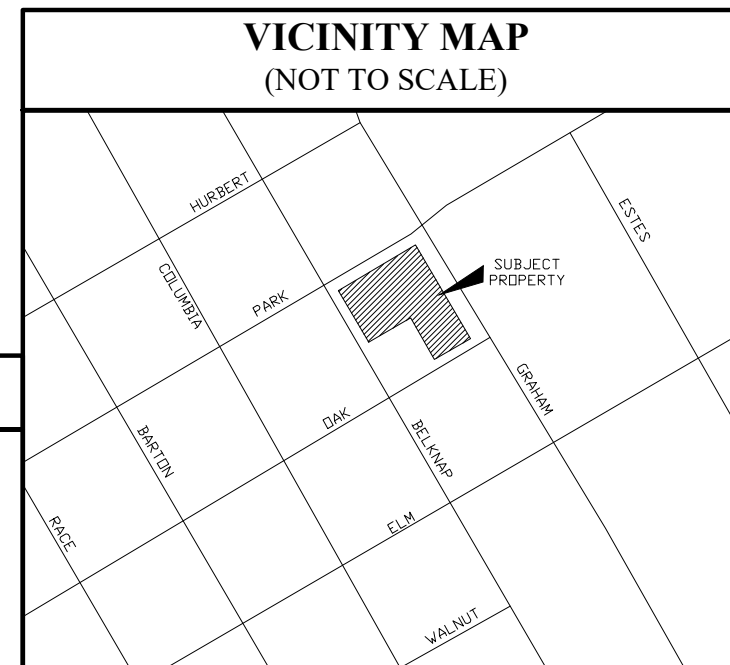
NOTE: ALL DISTANCES ARE SURFACE DISTANCES

NOTE: ALL CORNERS ARE FOUND 5/8" IRON RODS UNLESS OTHERWISE NOTED

SURVEYOR'S CERTIFICATE

THIS is to certify that I, MATTHEW K. PRICE, A Registered Professional Land Surveyor of the State of Texas, have platted the above property from an actual survey on the ground and that all lot corners, angle points, and points of curve will be properly marked on the ground, and that this plat correctly represents that survey made by me or under my direct supervision during MARCH 2026.

Matthew K. Price, R.P.L.S. No. 6284
 JN26282 20143.crd FN251201



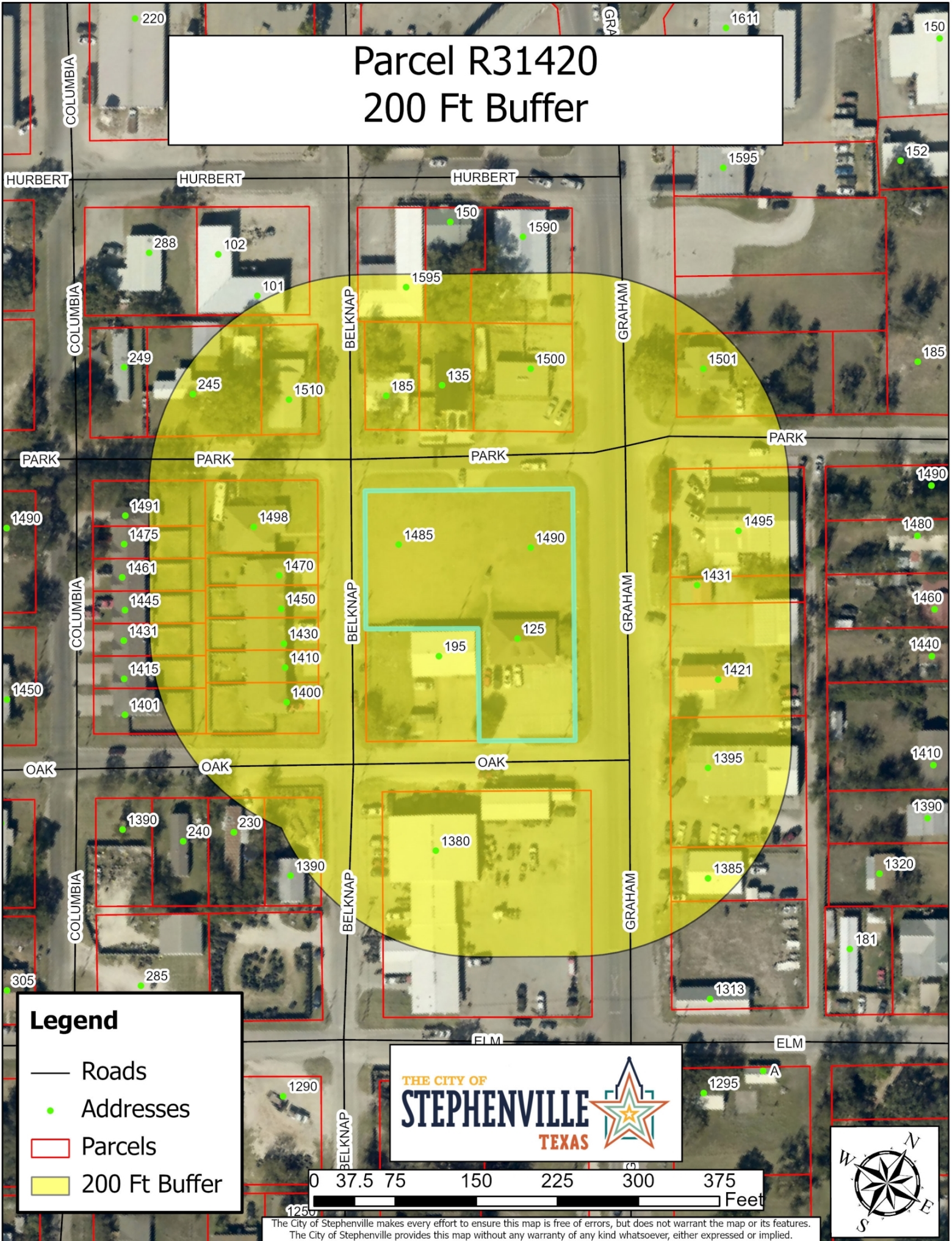
| | |
|--------------|---|
| OWNER | SURVEYOR |
| Park 51, LLC | Matthew K. Price Price Surveying, LP FIRM# 10194051 1100 E Washington Street Stephenville, TX 76401 254-965-5489 |

MINOR REPLAT

**LOTS 10 THRU 13, BLOCK 26
 FREY FIRST ADDITION**

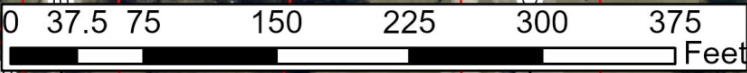
OF A 0.778 ACRE TRACT OF LAND, BEING ALL OF LOT 9 IN BLOCK 26 OF THE FREY FIRST ADDITION, ACCORDING TO PLAT THEREOF RECORDED IN CABINET B, SLIDE 95A OF THE PLAT RECORDS OF ERATH COUNTY, TEXAS

Parcel R31420 200 Ft Buffer



Legend

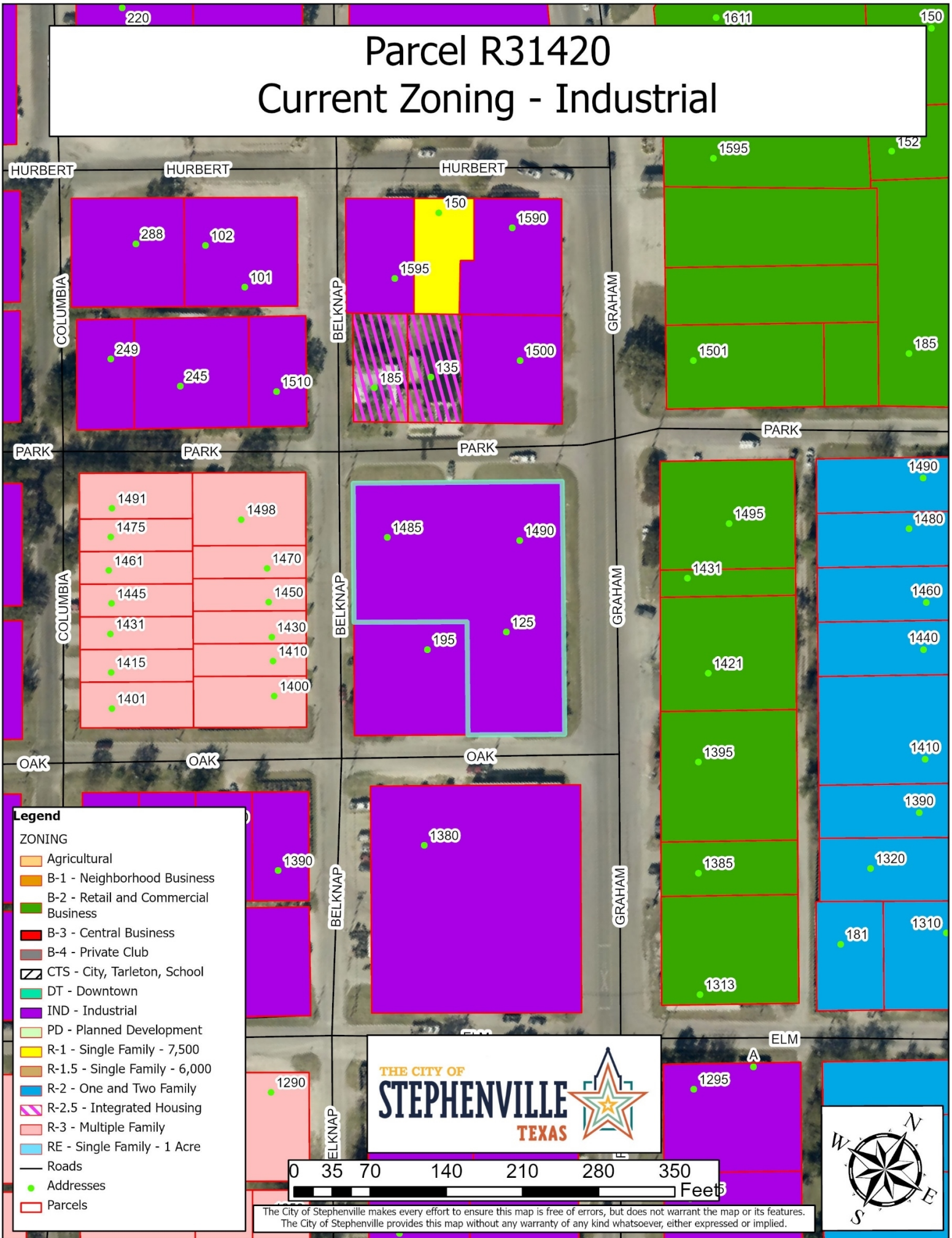
- Roads
- Addresses
- ▭ Parcels
- ▭ 200 Ft Buffer



The City of Stephenville makes every effort to ensure this map is free of errors, but does not warrant the map or its features. The City of Stephenville provides this map without any warranty of any kind whatsoever, either expressed or implied.

Parcel R31420

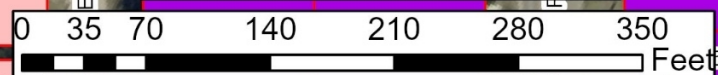
Current Zoning - Industrial



Legend

ZONING

- Agricultural
- B-1 - Neighborhood Business
- B-2 - Retail and Commercial Business
- B-3 - Central Business
- B-4 - Private Club
- CTS - City, Tarleton, School
- DT - Downtown
- IND - Industrial
- PD - Planned Development
- R-1 - Single Family - 7,500
- R-1.5 - Single Family - 6,000
- R-2 - One and Two Family
- R-2.5 - Integrated Housing
- R-3 - Multiple Family
- RE - Single Family - 1 Acre
- Roads
- Addresses
- Parcels



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Parcel R31420

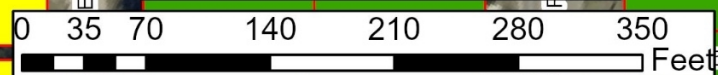
Future Land Use 2023 - Commercial



Legend

Future Land Use 2023

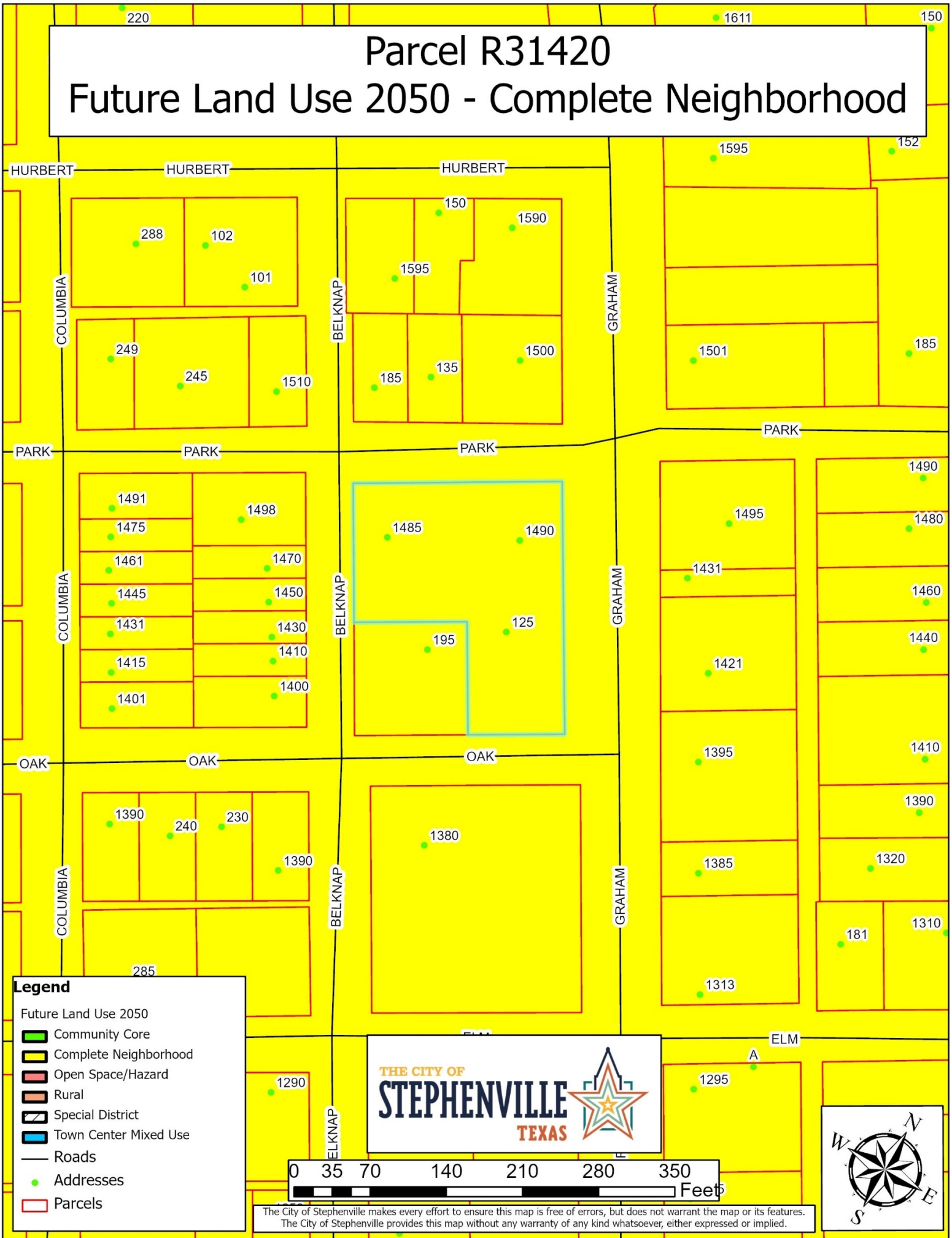
- Ag/Open Space
- Office/Neighbor_Bus
- Commercial
- Cent Business Dist
- City/Tarleton/SISD
- Downtown
- Industrial
- Planned Development
- Single Family
- 1_2 Family
- Multi-Fam/Resident
- Duplex/Townhome
- Manufact Homes
- Roads
- Addresses
- Parcels



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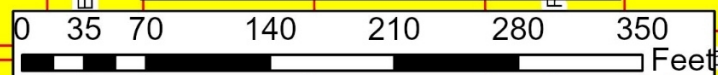
Parcel R31420

Future Land Use 2050 - Complete Neighborhood



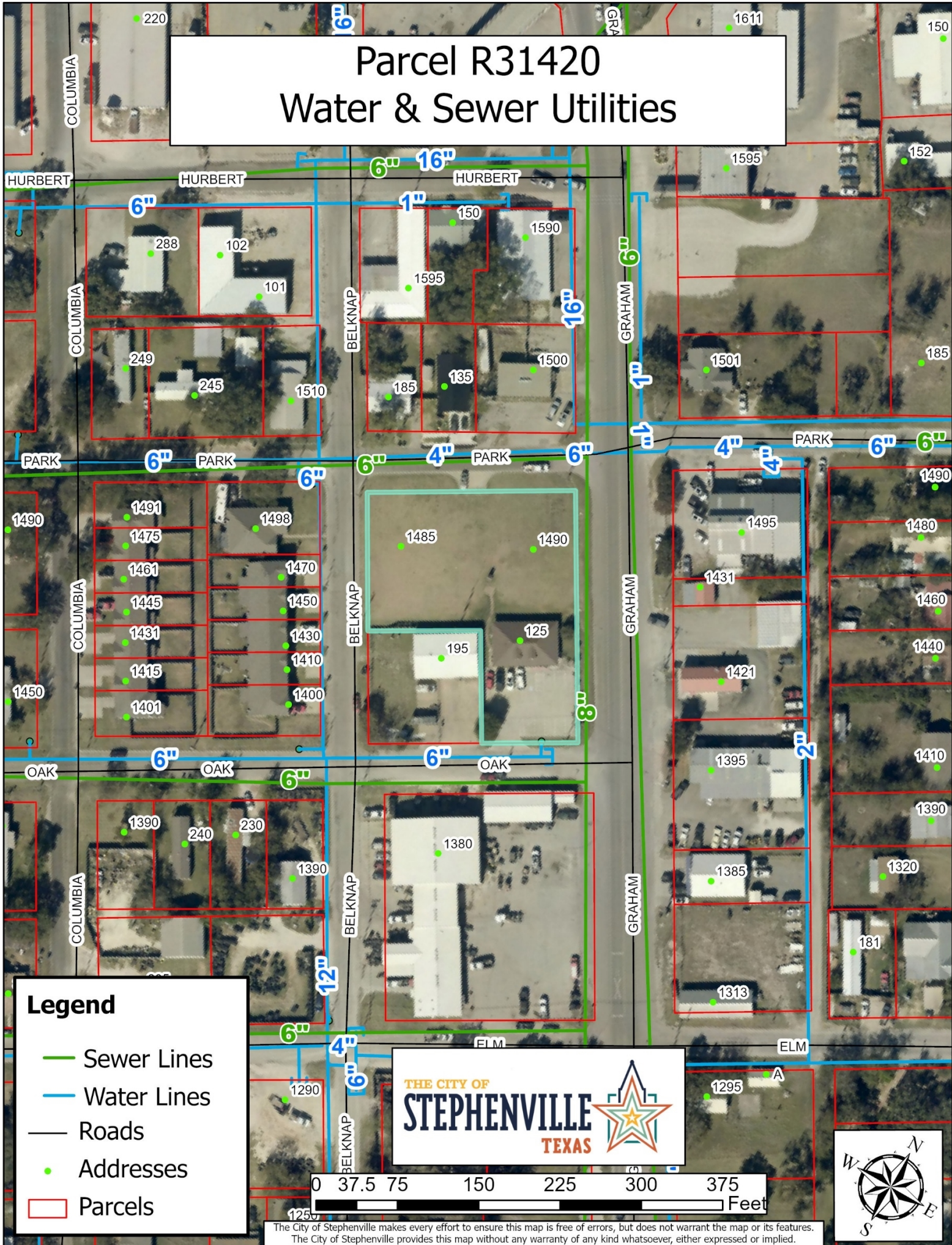
Legend

- Future Land Use 2050
- Community Core
- Complete Neighborhood
- Open Space/Hazard
- Rural
- Special District
- Town Center Mixed Use
- Roads
- Addresses
- Parcels



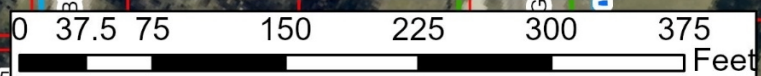
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Parcel R31420 Water & Sewer Utilities



Legend

- Sewer Lines
- Water Lines
- Roads
- Addresses
- Parcels



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Parcel R31420

200 ft Buffer Addresses

| Parcel ID | Parcel Address | Parcel Owner | Owner Address | City | State | Zip Code |
|------------|-------------------|--|---------------------|--------------|-------|------------|
| R000028844 | 1313 N GRAHAM | ALLEN REAL PROPERTIES LTD | PO BOX 953 | STEPHENVILLE | TX | 76401 |
| R000028840 | 1431 N GRAHAM | ANTHONY CLARK D & VICKI J | 759 JERRY LUCY RD | LONGVIEW | TX | 75603 |
| R000028841 | 1421 N GRAHAM | ANTHONY CLARK D & VICKI J | 759 JERRY LUCY RD | LONGVIEW | TX | 75603 |
| R000031459 | 245 PARK STREET | BERRY WARREN (TOD) | 245 PARK STREET | STEPHENVILLE | TX | 76401 |
| R000028843 | 1385 N GRAHAM | BIRCHFIELD SUSAN | 1443 OAKWOOD DR | STEPHENVILLE | TX | 76401 |
| R000028838 | 1495 N GRAHAM | BLEDSEBRIANNA NISHEA AND BRANNDON PARKER BLEDSOE | 1207 PRAIRIE WIND | STEPHENVILLE | TX | 76401 |
| R000031458 | 1510 BELKNAP | CASTRO-HUERTA JORGE & MARIA GUADALUPE LOPEZ SANTOS | 1510 N BELKNAP ST | STEPHENVILLE | TX | 76401 |
| R000030311 | 1501 N GRAHAM | CHILDRESS REVOCABLE TRUST & AMBER LONG | 1132 ELK RIDGE DR | STEPHENVILLE | TX | 76401 |
| R000031465 | 1500 N GRAHAM | CMP RENTAL, LLC | 1250 CR273 | STEPHENVILLE | TX | 76401 |
| R000078636 | 135 W PARK STREET | COLE ZANE E | 307 PR1096 | STEPHENVILLE | TX | 76401-1265 |
| R000031466 | 185 W PARK STREET | COLE ZANE E | 185 W PARK ST | STEPHENVILLE | TX | 76401 |
| R000074498 | 1400 N BELKNAP | D & D LAND INC | 1230 W LARREA TRAIL | WICKENBURG | AZ | 85390 |
| R000074502 | 1470 N BELKNAP | D & D LAND INC | 1230 W LARREA TRAIL | WICKENBURG | AZ | 85390 |
| R000074501 | 1450 N BELKNAP | D & D LAND INC | 1230 W LARREA TRAIL | WICKENBURG | AZ | 85390 |
| R000074500 | 1430 N BELKNAP | D & D LAND INC | 1230 W LARREA TRAIL | WICKENBURG | AZ | 85390 |
| R000031413 | 1390 BELKNAP | GILBREATH ANDY & NENA | 4358 CR408 | STEPHENVILLE | TX | 76401-0000 |
| R000031418 | 1380 N GRAHAM | GILBREATH ANDY & NENA | 4358 CR408 | STEPHENVILLE | TX | 76401-0000 |
| R000031456 | 1580 N BELKNAP | JACKSON ROBERT & LISA JACKSON | 20200 CADES COVE RD | CANYON | TX | 79015 |
| R000031412 | 230 OAK | MANZANO ISABEL (TRANSFER ON DEATH) | 230 OAK ST | STEPHENVILLE | TX | 76401 |
| R000031462 | 150 HURBERT | MIZE SARA LYNN | 150 W HURBERT ST | STEPHENVILLE | TX | 76401 |
| R000074497 | 1401 N COLUMBIA | NUSS DAVID & LYNNE FAMILY TRUST | 1230 W LARREA TRAIL | WICKENBURG | AZ | 85390 |
| R000074816 | 1475 N COLUMBIA | NUSS DAVID & LYNNE FAMILY TRUST | 1230 W LARREA TRAIL | WICKENBURG | AZ | 85390 |
| R000074817 | 1461 N COLUMBIA | NUSS DAVID & LYNNE FAMILY TRUST | 1230 W LARREA TRAIL | WICKENBURG | AZ | 85390 |
| R000074818 | 1445 COLUMBIA | NUSS DAVID & LYNNE FAMILY TRUST | 1230 W LARREA TRAIL | WICKENBURG | AZ | 85390 |
| R000074819 | 1431 N COLUMBIA | NUSS DAVID & LYNNE FAMILY TRUST | 1230 W LARREA TRAIL | WICKENBURG | AZ | 85390 |
| R000031423 | 1415 N COLUMBIA | NUSS DAVID & LYNNE FAMILY TRUST | 1230 W LARREA TRAIL | WICKENBURG | AZ | 85390 |
| R000031420 | 125 W OAK | PARK 51 LLC | 2310 BORDEAUX DR | GRANBURY | TX | 76048 |
| R000028842 | 1395 N GRAHAM | PORTER KELVIN B | 126 BLUE JAY | STEPHENVILLE | TX | 76401 |
| R000074503 | 1498 BELKNAP | SALDANA EVERADO C & LARISSA R SALDANA | 1498 N BELKNAP | STEPHENVILLE | TX | 76401 |
| R000031461 | 1595 N BELKNAP | SCHOROVSKY KRISTINE & KYLE SCHOROVSKY | 25180 KANSAS AVE | LOS MOLINOS | CA | 96055 |
| R000074815 | 1491 N COLUMBIA | STANLEY INVESTMENTS LLC | 1233 LONGHORN PKWY | AXTELL | TX | 76624 |
| R000031463 | 1590 N GRAHAM | STEGALL LETHA KAYE | 1590 N GRAHAM | STEPHENVILLE | TX | 76401 |
| R000074499 | 1410 N BELKNAP | STEVENSON CRAIG | 9101 CR1233A | GODLEY | TX | 76044 |
| R000030319 | 1555 N GRAHAM | TAYLOR LAWRENCE DEAN & GLORIA | PO BOX 137 | STEPHENVILLE | TX | 76401-0000 |
| R000031422 | 195 W OAK | YOUNG CLARENCE J & LINDA S | PO BOX 545 | STEPHENVILLE | TX | 76401 |

ORDINANCE NO. 2026-O-____

AN ORDINANCE REZONING THE LAND DESCRIBED INDUSTRIAL (I) TO INTEGRATED HOUSING (R-2.5)

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS, THAT:

All that lot, tract or parcel of land legally described as follows:

Portion of Property Located at 125 W. Oak Street, Parcel R31420, being approximately 1.00 acres of the S3500 Frey First Addition, BLK. 26; LOT 9 of the City of Stephenville, Erath County, Texas

is hereby rezoned and the zoning classification changed from the classification of Industrial (I) to Integrated Housing (R-2.5), in accordance with the Zoning Ordinance of the City of Stephenville.

PASSED AND APPROVED this the 7th day of April 2026.

Lonn Reisman, Mayor

ATTEST:

Sarah Lockenour, City Secretary

Reviewed by Jason King,
City Manager

Randy Thomas, City Attorney
Approved as to form and legality

STAFF REPORT

SUBJECT: Application No.: PD2025-9361

Applicant Alex Bryant, representing TSU Catholic, LLC., is presenting a Conceptual Plan for a Planned Development (PD) for property located at 1292 W Washington, Parcel R77944, being BLK. 134, LOTS 12; 18; 30B; 31 (PTS OF), 1334 W Washington, Parcel R30249, being BLK 134, LOT 40, ATM MACHINE, 1350 W Washington, Parcel R30251, being BLK. 134; LOTS 1;5;28, 1245 McNeill, Parcel R30278, being BLK 134, LOT 38A, 1255 McNeill, Parcel 30280, being BLK 134, Lots 38, 1303 McNeill, Parcel R30272, being BLK. 134, LOT 32, 1345 McNeill, Parcel R30271, being BLK. 134; LOT 31 (\$150),1353 McNeil, Parcel R30270, being BLK. 134, LOT 30A and 1357 McNeill, Parcel 30269, being BLK 134; south 150 feet of LOT 29 of the CITY ADDITION to the City of Stephenville, Erath County, Texas.

DEPARTMENT: Development Services

STAFF CONTACT: Steve Killen, Director of Development Services

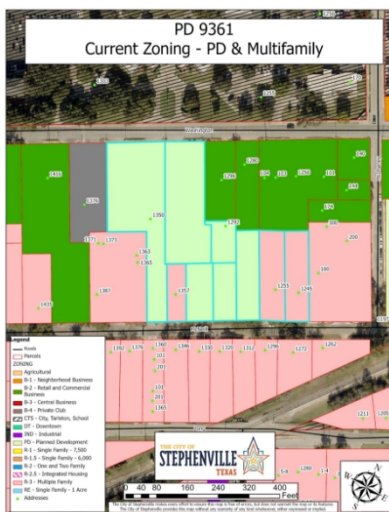
RECOMMENDATION:

The Planning and Zoning Commission convened March 18, 2026, and by unanimous vote, recommended the City Council approve the updated Planned Development. If approved, the previous ordinance approving the original PD will need to be repealed and a new ordinance adopted.

BACKGROUND:

In 2023, Mr. Thompson presented a Development Plan and a rezone request to Planned Development. The request was granted and ordinance 2023-O-09 was adopted. Updates have been presented to the Commission. Mr. Bryant is now requesting major amendments to the Development Plan and therefore, a new application process is required pursuant to Section 154.08 of the Zoning Ordinance. A conceptual plan was presented to the Commission on December 17, 2025. The applicant is returning for approval of the Development Plan. This Development Plan includes additional parcels to be acquired if the PD is approved. A separate agenda item will consider a recommendation to the City Council to repeal Ordinance 2023-O-09, should a favorable recommendation be offered for the Development Plan.

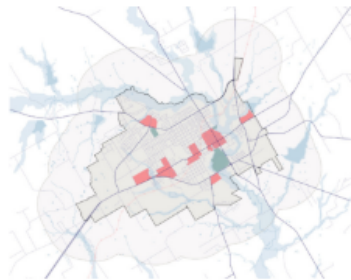
PROPERTY PROFILE:



FUTURE LAND USE

Town Center Mixed-Use

The Town Center Mixed-Use land use encourages a mix of uses including residential, purpose-built student housing, offices, retail, and recreational at higher densities. These areas are hubs for commerce, entertainment, education, and culture, with numerous offices, shops, restaurants, theaters, and art galleries.



PLANNED DEVELOPMENT SUMMARY

This PD will be 3.597 acres and result in 271,274 GSF of multifamily and amenity space, 208 units totaling 524 bedrooms and a 5 1/2 story parking garage with 540 gated parking spaces. An additional 64 parking spaces will be available through a joint-access parking agreement, to be executed upon property acquisition. The PD will require certain exceptions, special conditions, restrictions and regulations are requested. Development standards not addressed below shall be regulated by the base zoning district, R-3, Multifamily Residential.

The PD deviations/conditions are summarized below, as provided in the attached project narrative. If not listed, the Developer agrees to meet or exceed city standards. Please reference the Planned Development Standards document for additional details.

Requested

No retail space
 57.8 units/ac
 540 parking spaces = 1.03 per bed
 64 shared parking spaces

Communications Tower
 Height = 125'
 Setbacks = 0
 Chain Link Fencing
 No Landscaping

Front Setback = 0'
 Rear Setback = 0'

Standard

Previous plan was 13K+ sf of retail
 24 units/ac
 786 = 1.5 per bed
 Shared spaces cannot reduce total for all uses
 Shared access agreement must be executed

80' maximum
 500' from residential
 NA
 NA

Front Setback = 25'
 Rear Setback = 25'

Side setbacks = 10'
Maximum building height of 62.5'
Signage – Neon, LED and Side Building

Side Setback = 5'
Average of plate height and ridge = 35'
Light intensity, number and size limits

Landscape Plan

To exceed coverage requirement
No parking island landscaping
Turn Radii as low as 21'

15% total site with 30% in front.
One every 12 spaces
26' interior

PLANNED DEVELOPMENT SCHEDULE

1. City Council Approval of the Planned Development, Q1-2026.
2. Building Permit application, Summer 2026
3. Project completion, Summer 2028.

STAFF COMMENTS:

The development standards shall apply with exception to any requested deviations as summarized above. Certain modifications to the Preliminary Plat may be required throughout the process – however, no deviation that results in major amendments to the Development Plan may be approved by staff. If major amendments occur, the applicant will be required to resubmit as referenced in Section 8.1.6 below.

The Developer is aware of TxDOT requirements and is working to secure the necessary approvals to complete plan reviews and obtain city authorization for construction of public and private improvements.

Proposed container location approved by Waste Connections – recommend four service dates per week, minimum.

Sec. 154.08. Planned development district (PD).

8.A Description.

- (1) Planned development districts are designed for greater flexibility and discretion in the application of residential and non-residential zoning and for increased compatibility and the more effective mitigation of potentially adverse impacts on adjacent land than in possible under standard district regulations. It is recognized that it is desirable for certain areas of the city to be developed in accordance with development plans prepared and approved as a part of the ordinance authorizing the zoning necessary for the proposed development.
- (2) Improvements in a "PD" District are subject to conformance with a development plan approved by the City Council on Planning and Zoning Commission recommendation and after public hearing thereon. No development plan may increase gross density in excess of that allowed by the base district.

8.B Permitted Uses. In a PD Development District, no land shall be used and no building shall be installed, erected for/or converted to any use other than a hereinafter provided.

NON-RESIDENTIAL PLANNED DEVELOPMENTS. Considered appropriate where the following conditions prevail:

- (1) The project utilized innovative land development concepts and is consistent with the Comprehensive Land Use plan and the goals and objectives of the city;

- (2) Non-residential uses are situated such that an appreciable amount of land is available for open space or joint use as parking space and is integrated throughout the planned development;
- (3) The site exhibits environmentally natural features which should be considered for preservation and/or enhancement;
- (4) Aesthetic amenities may be provided in the planned development design which are not economically feasible to provide in conventional non-residential projects; and
- (5) The project provides a compatible transition between adjacent existing single-family residential projects and provides a compatible transition for the extension of future single-family projects into adjacent undeveloped areas.

RESIDENTIAL PLANNED DEVELOPMENT. Considered appropriate where the following conditions prevail:

- (1) The project utilized innovative land development concepts and is consistent with the Comprehensive Land Use plan and the goals and objectives of the city;
- (2) Dwelling units are situated such that an appreciable amount of land for open space is available and is integrated throughout the planned development;
- (3) The project utilizes an innovative approach in lot configuration and mixture of single-family housing types;
- (4) Higher densities than conventional single-family projects of the same acreage is achievable with appropriate buffering between existing conventional single-family developments and increased open space;
- (5) The site exhibits environmentally natural features which should be considered for preservation and/or enhancement;
- (6) Aesthetic amenities may be provided in the planned development design which are not economically feasible to provide in conventional single-family projects; and
- (7) The project provides a compatible transition between adjacent existing conventional single-family residential projects and provides a compatible transition for the extension of future conventional single-family projects into adjacent undeveloped areas.

8.C Prohibited Uses.

- (1) Any building erected or land used for other than the use shown on the Planned Development Site Plan, as approved by the City Council.
- (2) Any use of property that does not meet the required minimum lot size; front, side and rear yard dimensions; and/or lot width, or exceeds the maximum height, building coverage or density per gross acreage as shown in the development's recorded Planned Development Site Plan, as approved by City Council.
- (3) Any use deemed by the City Council as being detrimental to the health, safety or general welfare of the citizens of Stephenville.

8.D Ownership. An application for approval of a Planned Development Plan under the Planned Development District regulations may be filed by a person having legal ownership of the property to be included in the Development Plan. In order to ensure unified planning and development of the property, the applicant shall provide evidence, in form satisfactory to the City Attorney, prior to final approval of the Development Plan, that the property is held in single ownership or is under single control. Land shall be deemed to be held in single ownership or under single control if it is in joint tenancy, tenancy in common, a partnership, a trust or a joint venture. The Development Plan shall be filed in the name(s) of the record owner(s) of the property, which shall be included in the application.

8.E Development Schedule.

- (1) An application for a Planned Development District shall be accompanied by a development schedule indicating the approximate date on which construction is expected to begin and the rate of anticipated development to completion. The development schedule, adopted and approved by the City Council, shall become part of the Planned Development Ordinance and shall be adhered to by the owner, developer and their assigns or successors in interest.
- (2) Annually, upon the anniversary date, or more frequently if required, the developer shall provide a written report to the Planning and Zoning Commission concerning the actual development accomplished as compared with the development schedule.
- (3) The Planning and Zoning Commission may, if in its opinion the owner or owners of the property are failing or have failed to meet the approved development schedule, initiate proceedings to amend the Official Zoning map or the Planned Development District by removing all or part of the Planned Development District from the Official Zoning Map and placing the area involved in another appropriate zoning district. After the recommendation of the Planning and Zoning Commission and for good cause shown by the owner and developer, the City Council may extend the development schedule as may be indicated by the facts and conditions of the case.

8.F Plat Requirements. No application for a building permit for the construction of a building or structure shall be approved unless a plat, meeting all requirements of the City of Stephenville has been approved by the City Council and recorded in the official records of Erath County.

8.G Concept Plan. The applicant for any PD Planned Development shall submit a concept plan to the Planning and Zoning Commission for review prior to submitting a Development Plan. The concept plan shall contain appropriate information to describe the general land use configuration, proposed densities or lot sizes, proposed amenities and proposed regulation.

8.H Development Plan Approval Required. No building permit or certificate of occupancy shall be issued and no use of land, buildings or structures shall be made in the "PD" District until the same has been approved as part of a development plan in compliance with the procedures, terms and conditions of this section of the ordinance.

8.I Approval Procedures.

- (1) An application for development plan approval shall be filed with the Director of Community Development accompanied by a development plan.
- (2) The procedures for hearing a request for a zoning change to "PD" shall be the same as for a requested change to any other district as set forth Section 20 of the Zoning Ordinance.
- (3) Any substantive revision to a development plan between the public hearing before the Planning and Zoning Commission and the public hearing before the City Council shall necessitate the development plan being referred back to the Planning and Zoning Commission for review and evaluation unless the revision constitutes a minor change as provided below, or the change was a condition of the approval.
- (4) Any revisions to the development plan after the public hearing before the City Council shall be submitted to the Director of Community Development for distribution, review and written evaluation by city staff prior to submission to and approved by the City Council.
- (5) Minor changes to an approved development plan, which will not cause any of the following circumstances to occur, may be authorized by the Director of Community Development or his or her designee:
 - (a) A change in the character of the development;
 - (b) An increase in the gross floor areas in structures;
 - (c) An increase in the intensity of use;

- (d) A reduction in the originally approved separations between buildings;
 - (e) Any adverse changes in traffic circulation, safety, drainage and utilities;
 - (f) Any adverse changes in such external effects on adjacent property as noise, heat, light, glare, vibration, height scale or proximity;
 - (g) A reduction in the originally approved setbacks from property lines;
 - (h) An increase in ground coverage by structures;
 - (i) A reduction in the ratio of off-street parking and loading space; and
 - (j) A change in the size, height, lighting or orientation of originally approved signs.
- (6) The decision of the Director of Community Development or his or her designee as to whether minor changes are being requested may be appealed to the Planning and Zoning Commission. Any change deemed not to be minor change, as indicated above, shall be processed as a new application in accordance with the provisions of this section and Section 20.1 of the Zoning Ordinance.

8.J Development Plan Requirements. The development plan submitted in support of a request for development plan approval shall contain sufficient information delineating the characteristics of the site, changes in those characteristics as may be proposed by the development, how the development will relate to public services and facilities and what protection features are included to insure that the development will be compatible with existing and allowable development on adjacent property. The development plan shall show at least the following items of information:

- (1) The location of all existing and planned non-single-family structures on the subject property;
- (2) Landscaping lighting and/or fencing and/or screening of common areas;
- (3) General locations of existing tree clusters, providing average size and number and indication of species;
- (4) Location and detail of perimeter fencing if applicable;
- (5) General description/location of ingress and egress with description of special pavement treatment if proposed;
- (6) Off-street parking and loading facilities, and calculations showing how the quantities were obtained for all non single-family purposes;
- (7) Height of all non-single-family structures;
- (8) Proposed uses;
- (9) Location and description of subdivision signage and landscaping at entrance areas;
- (10) Street names on proposed streets;
- (11) Proposed minimum area regulations including, set-backs, lot-sizes, widths, depths, side-yards, square footage or residential structures;
- (12) Indication of all development phasing and platting limits; and
- (13) Such additional terms and conditions, including design standards, as the Planning and Zoning Commission and the City Council deem necessary.

8.K Conditions for Development Plan Approval.

- (1) A development plan shall be approved only if all of the following conditions have been found during the review and process:
 - (a) That the uses will be compatible with and not injurious to the use and enjoyment of other property, nor significantly diminish or impair property values with the immediate vicinity;

- (b) That the establishment of the use or uses will not impede the normal and orderly development and improvements of surrounding vacant property;
 - (c) That adequate utilities, access roads, drainage and other necessary supporting facilities have been or will be provided;
 - (d) That the design, location and arrangement of all driveways and parking spaces provides for the safe and convenient movement of vehicular and pedestrian traffic without adversely affecting the general public or adjacent developments;
 - (e) That adequate nuisance prevention measures have been or will be taken to prevent or control offensive odor, fumes, dust, noise and vibration;
 - (f) That directional lighting will be provided so as not to disturb or adversely affect neighboring properties.
- (2) In approving a development plan, the City Council may impose additional conditions necessary to protect the public interest and welfare of the community.

8.L Additional Conditions. Every Planned Development District approved under the provisions of this Ordinance shall be considered as an amendment to the Ordinance as applicable to the property involved. In an approved Planned Development District, the City Council may impose conditions relative to the standard of development, and such conditions shall be complied with before a certificate of occupancy is issued for the use of the land or any structure which is part of the Planned Development District; and such condition shall not be construed as conditions precedent to the approval of the zoning amendment, but shall be constructed as conditions precedent to the granting of a certificate of occupancy.

8.M Revocation.

- (1) Approval of a development plan may be revoked or modified, after notice and hearing, for either of the following reasons:
 - (a) Approval was obtained or extended by fraud or deception; or
 - (b) That one or more of the conditions imposed by the City Council on the development plan has not been met or has been violated.
- (2) Development controls:
 - (a) The City Council may impose more restrictive requirements than those proposed in the development plan in order to minimize incompatibilities;
 - (b) A "PD" District shall have a minimum lot area of not less than one acre under unified control;
 - (c) The parking requirements of the Zoning Ordinance shall apply to all uses in the "PD" District unless otherwise specified on the development plan; and
 - (d) "PD" provisions may vary setbacks with approval.

FACTORS TO CONSIDER:

- Compliance with Comprehensive Plan?
- Is application consistent with Plan?
- If not, have conditions changed or new information been offered to support change?
- Surrounding Zoning and Land Use
- Infrastructure Impacts
- Size and Location of Parcel – is land large enough and in property location for proposed use?
- Reasonable Use of Property – does proposed change provide reasonable use of property?

- Zoning has great discretion – deny if applicant has not proven it is in the best interest of City to approve

ALTERNATIVES:

- 1) Accept the recommendation of the Commission and approve the updated Planned Development.
- 2) Deny the updated Planned Development.



The Rider
Application No.:
PD2025-9361

Questions & Answers:

- **Does the site have retail ?** The project does not have retail lease space within the proposed building. The project supports the existing local retail by upgrading the façade and parking for the adjacent property. There will be a shared parking agreement with Barefoot.
- **Height of buildings and garage?** The overall max height of the building is 62'-6" to the top of entry towers along Washington, but the top of parapet for most of the building is 57'-0".
- **Are the beds strictly for college students ?** The project will be marketed to students but will meet all applicable Fair Housing requirements.
- **Traffic congestion on McNeil with students pulling in and out of McNeil to enter/exit the garage.** To address P&Z concern, the garage has been located internal to the building and will be shielded from view. The garage entrance has been moved off McNeil to an internal drive lane to minimize traffic impact to neighbors.
- **Sidewalk location and lighting on McNeil for safety along McNeil.** The project plans for a 5'-0" sidewalk along the McNeil property line for the full width of the property and will provide site lighting to illuminate this sidewalk for safety.
- **Parking garage design and size of parking stalls for trucks?** The parking stalls are 9'-6" wide and 18 feet deep, per City of Stephenville standards. This is larger than a standard parking stall to better accommodate large vehicles.
- **Will the garage be accessed by a card and have a gate ?** Yes, the parking garage will be gated.
- **Old plan vs. new** The previous plan was 3 stories and 51'-5" tall with 13,000 sf of retail and 66 residents. This proposed plan is 5 stories and 57'-0" to top of parapet. The garage is 52'-6" to the top level.
- **Rainwater plan for drainage?** The development will meet the drainage engineering criteria and plans to have a small detention pond in the southeast corner of the site.
- **McNeil street parking , hard to drive down McNeil as it is.** This project does not propose any street parking and would welcome no parking signs on the north side of the street to allow for better access for the neighboring properties. The garage entrance has been moved off McNeil to an internal drive lane to minimize traffic impact along McNeil.
- **Cell tower height to remain at 125'.** No change.
- **Date to commence construction?** Summer 2026
- **Date of Completion?** Summer 2028

Development Team



Ryan Dodson
Co-Founder
Street Realty



Alex Bryant
Co-Founder
Street Realty



Dustin Vardeman
VP Planning &
Construction



Reagan Thompson
Founder
Reload Capital

Street Realty

- **Street Realty is a full-service commercial real estate firm based in Fort Worth, Texas, founded by Ryan Dodson and Alex Bryant, who collectively bring more than 80 years of commercial real estate experience. The firm is an active developer, broker, and property manager of commercial real estate throughout Texas and was rebranded in 2023 after operating for more than 20 years as Dodson CRE.**
- **The firm currently has more than \$250 million in real estate assets under management and development and has completed 54 projects spanning infill mixed-use, purpose-built student housing, retail, office, light industrial, and self-storage.**
- **Street Realty brings extensive multi-asset-class expertise with in-house capabilities across acquisition, development, construction management, financing, accounting and reporting, property management, and leasing.**

Reload Capital

- **Reload is a Texas-based real estate development firm headquartered in Stephenville, Texas. Founded by Reagan Thompson, the firm focuses on strategic development, organizational leadership, and business growth. Reload Capital most recently completed the redevelopment of the historic Long Hotel (1938) in downtown Stephenville.**
- **The firm has led pre-development efforts for the Project, including land assembly, demolition and environmental abatement coordination, and stakeholder engagement with the City of Stephenville and adjacent property owners, resulting in approval of the initial entitlements. Going forward, Reload Capital will serve as the Project's local ambassador, working closely with city planning staff and community stakeholders to support a transparent and well-coordinated entitlement and development process.**

STREET REALTY & RELOAD CAPITAL



**404 Border, Arlington, TX - 135 Units
Urban Student Housing (UTA) Developed 2016**



**The Rosedale, Fort Worth, TX - 100 Beds
On-Campus Student Housing (TWU) Developed 2021**



**Magnolia Avenue, Fort Worth, TX - Mixed-Use
18,000 SF Retail/Condos Developed 2018**



**THE 701, Fort Worth, TX - 70,000 SF
Urban Mixed-Use Developed 2021**



**West Loop Business Park. White Settlement TX
142,000 SF Business Park Developed 2025**



**The Wyatt. Stephenville, TX
Mixed-use Historic Redevelopment 2024**

Representative Projects

STEPHENVILLE 2050

HONORING OUR LEGACY, EMBRACING OUR FUTURE



May 2024

“Relieve pressure in neighborhoods by adding purpose-built student housing close to campus.”

Land Use Policy Statement

“This housing will add value and catalyze these mixed-use centers with dense walkable development while relieving pressure to accommodate students in existing neighborhoods.”

Excerpt from the Executive Summary

Vicinity Map



Survey



TEMPORARY BENCHMARK #1 ELEVATION - 1320.44'
 BEING AN X-CUT SET IN THE CONCRETE SIDEWALK ALONG THE SOUTHEAST RIGHT-OF-WAY LINE OF WEST WASHINGTON STREET (A 50' PUBLIC RIGHT-OF-WAY), SAID X-CUT BEING ±21.37' EAST NORTHEAST OF A POWER POLE AND ±38.59' SOUTHWEST OF THE NORTH CORNER OF LOT 18, BLOCK 134, CITY ADDITION, AN ADDITION TO THE CITY OF STEPHENVILLE ACCORDING TO KING'S 1956 MAP RECORDED IN VOL. 381, PG. 105, D.R.E.C.T.

TEMPORARY BENCHMARK #2 ELEVATION - 1317.55'
 BEING AN X-CUT SET IN THE SOUTHEAST CONCRETE GUTTERLINE OF WEST MCNEILL STREET (A 50' PUBLIC RIGHT-OF-WAY), SAID X-CUT BEING ±16.55' NORTHWEST OF A POWER POLE AND ±48.12' EAST SOUTHWEST OF A WATER METER.

PROPERTY DESCRIPTION:
 BEING A 3.597 ACRE TRACT OF LAND SITUATED IN THE J. BLAIR SURVEY, ABSTRACT NO. 32, IN THE CITY OF STEPHENVILLE, ERATH COUNTY, TEXAS, AND BEING ALL OF LOT 5, LOT 1, LOT 28, PART OF LOT 29, LOT 30-A, LOT 31, LOT 32, AND LOT 38, BLOCK 134 OF CITY ADDITION, AN ADDITION TO THE CITY OF STEPHENVILLE, AS DEPICTED ON KING'S 1956 MAP RECORDED IN VOLUME 381, PAGE 105, DEED RECORDS, ERATH COUNTY, TEXAS, AND BEING ALL OF LOT 40, BLOCK 134, CITY ADDITION, AN ADDITION TO THE CITY OF STEPHENVILLE, ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET A, SLIDE 279A, PLAT RECORDS, ERATH COUNTY, TEXAS, AND BEING ALL OF THAT SAME TRACT OF LAND DESCRIBED TO TSU CATHOLIC, LLC IN WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOCUMENT NUMBER (DOC. NO.) 2022-02799, OFFICIAL PUBLIC RECORDS, ERATH COUNTY, TEXAS (O.P.R.E.C.T.), AND BEING ALL OF THAT SAME TRACT OF LAND DESCRIBED TO BAREFOOT EQUITY PARTNERS, LLC IN WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOC. NO. 2024-00297, O.P.R.E.C.T., AND BEING ALL OF THAT SAME TRACT OF LAND DESCRIBED TO TSU CATHOLIC, LLC IN SPECIAL WARRANTY DEED RECORDED IN DOC. NO. 2022-05473, O.P.R.E.C.T., AND BEING ALL OF THAT SAME TRACT OF LAND DESCRIBED TO CHRIS & DEANNE MARTINELLI IN GENERAL WARRANTY DEED RECORDED IN DOC. NO. 2022-03049, O.P.R.E.C.T., AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 1/2-INCH IRON ROD WITH CAP STAMPED "PRICE" FOUND FOR THE EAST CORNER OF LOT 14R, BLOCK 134, CITY ADDITION, AN ADDITION TO THE CITY OF STEPHENVILLE, ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET B, SLIDE 268B, PLAT RECORDS, ERATH COUNTY, TEXAS, SAID POINT LYING AT THE INTERSECTION OF THE SOUTHWEST RIGHT-OF-WAY LINE OF SOUTH MCLEHANY AVENUE (VARIABLE WIDTH PUBLIC RIGHT-OF-WAY) WITH THE NORTHWEST RIGHT-OF-WAY LINE OF WEST MCNEILL STREET (50-FOOT PUBLIC RIGHT-OF-WAY);

THENCE SOUTH 59 DEGREES 32 MINUTES 04 SECONDS WEST, WITH THE NORTHWEST RIGHT-OF-WAY LINE OF SAID WEST MCNEILL STREET, AND THE SOUTHWEST LINE OF SAID LOT 14R, A DISTANCE OF 155.96 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE SOUTH CORNER THEREOF, SAID POINT BEING THE EAST CORNER OF SAID LOT 38, AND BEING THE POINT OF BEGINNING;

THENCE SOUTH 59 DEGREES 32 MINUTES 04 SECONDS WEST, WITH THE NORTHWEST RIGHT-OF-WAY LINE OF SAID WEST MCNEILL STREET, AND THE SOUTHWEST LINE OF SAID LOT 38, SAID LOT 32, SAID LOT 31, SAID LOT 30-A, REMAINDER OF SAID LOT 29, AND SAID LOT 28, A DISTANCE OF 418.89 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "FLANAGAN 8443" SET FOR THE SOUTH CORNER OF SAID LOT 28, SAME BEING THE EAST CORNER OF THAT SAME TRACT OF LAND DESCRIBED TO WITHOUT A PADDOLE INVESTMENTS, LLC IN WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOC. NO. 2021-08521, O.P.R.E.C.T.;

THENCE NORTH 30 DEGREES 36 MINUTES 11 SECONDS WEST, DEPARTING THE NORTHWEST RIGHT-OF-WAY LINE OF SAID WEST MCNEILL STREET, WITH THE SOUTHWEST LINE OF SAID LOT 28 AND THE NORTHEAST LINE OF SAID WITHOUT A PADDOLE INVESTMENTS TRACT, A DISTANCE OF 233.26 FEET TO AN "X" CUT IN CONCRETE FOUND FOR THE WEST CORNER OF SAID LOT 25, SAME BEING THE NORTH CORNER OF SAID WITHOUT A PADDOLE INVESTMENTS TRACT;

THENCE SOUTH 59 DEGREES 34 MINUTES 24 SECONDS WEST, WITH THE SOUTHWEST LINE OF SAID LOT 1, SAID LOT 5, AND THE NORTHWEST LINE OF SAID WITHOUT A PADDOLE INVESTMENTS TRACT, A DISTANCE OF 102.00 FEET TO A "MAG" NAIL FOUND FOR THE SOUTH CORNER OF SAID LOT 5, SAME BEING THE WEST CORNER OF SAID WITHOUT A PADDOLE INVESTMENTS TRACT, AND THE EAST CORNER OF THAT SAME TRACT OF LAND DESCRIBED TO EDWARD & SARA BROOKS IN SPECIAL WARRANTY DEED RECORDED IN DOC. NO. 2022-07518, O.P.R.E.C.T.;

THENCE NORTH 30 DEGREES 36 MINUTES 11 SECONDS WEST, WITH THE SOUTHWEST LINE OF SAID LOT 5, AND THE NORTHEAST LINE OF SAID BROOKS TRACT, A DISTANCE OF 232.16 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "FLANAGAN 8443" SET FOR THE WEST CORNER OF SAID LOT 5, SAME BEING THE NORTH CORNER OF SAID BROOKS TRACT, AND LYING ON THE SOUTHWEST RIGHT-OF-WAY LINE OF WEST WASHINGTON STREET (50-FOOT PUBLIC RIGHT-OF-WAY);

THENCE NORTH 59 DEGREES 32 MINUTES 04 SECONDS EAST, WITH THE SOUTHWEST RIGHT-OF-WAY LINE OF SAID WEST WASHINGTON STREET, AND THE NORTHWEST LINE OF SAID LOT 5, LOT 1, AND SAID LOT 40, A DISTANCE OF 254.76 FEET TO A POINT FOR THE NORTH CORNER OF SAID LOT 40;

THENCE SOUTH 30 DEGREES 55 MINUTES 38 SECONDS EAST, WITH THE NORTHEAST LINE OF SAID LOT 40, A DISTANCE OF 215.43 FEET TO A POINT FOR CORNER;

THENCE NORTH 59 DEGREES 06 MINUTES 36 SECONDS EAST, A DISTANCE OF 15.98 FEET TO A POINT FOR CORNER;

THENCE SOUTH 30 DEGREES 36 MINUTES 11 SECONDS EAST, A DISTANCE OF 17.03 FEET TO A POINT FOR CORNER;

THENCE NORTH 59 DEGREES 34 MINUTES 24 SECONDS EAST, A DISTANCE OF 247.38 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "NATIVE" FOUND FOR THE NORTH CORNER OF SAID LOT 38, AND LYING AT AN ANGLE POINT ON THE SOUTHWEST LINE OF SAID LOT 14R;

THENCE SOUTH 30 DEGREES 11 MINUTES 26 SECONDS EAST, WITH THE NORTHEAST LINE OF SAID LOT 38 AND THE SOUTHWEST LINE OF SAID LOT 14R, A DISTANCE OF 232.98 FEET TO THE POINT OF BEGINNING AND CONTAINING 156,679 SQUARE FEET OR 3.597 ACRES OF LAND, MORE OR LESS.

NOTES REGARDING UTILITIES:
 UTILITY LOCATIONS ARE PER OBSERVED EVIDENCE AND THE BELOW SOURCES
 DIGTESS - TICKET #258005522

SOURCE INFORMATION FROM PLANS AND MARKINGS WILL BE COMBINED WITH OBSERVED EVIDENCE OF UTILITIES TO DEVELOP A VIEW OF THE UNDERGROUND UTILITIES. HOWEVER, LACKING EXCAVATION, THE EXACT LOCATION OF UNDERGROUND FEATURES CANNOT BE ACCURATELY, COMPLETELY, AND RELIABLY DEPICTED. IN ADDITION, IN SOME JURISDICTIONS, 811 OR OTHER SIMILAR UTILITY LOCATE REQUESTS FROM SURVEYORS MAY BE IGNORED OR RESULT IN AN INCOMPLETE RESPONSE. WHERE ADDITIONAL OR MORE DETAILED INFORMATION IS REQUIRED, THE CLIENT IS ADVISED THAT EXCAVATION AND/OR A PRIVATE UTILITY LOCATE REQUEST MAY BE NECESSARY.

AS OF THE DATE OF THIS SURVEY, THE CITY OF STEPHENVILLE HAS NOT RESPONDED REGARDING LOCATIONS AND SIZES OF THEIR RESPECTIVE SERVICE LINES IN THE AREA. LOCATIONS OF ALL UTILITIES SHOULD BE VERIFIED PRIOR TO ANY CONSTRUCTION ACTIVITIES.

LEGEND

SOME OF THESE ELEMENTS MAY NOT BE USED ON THIS SURVEY

| | | | | | |
|---|----------------------------|---|---------------------------|---|-------------------------|
| ● | BOLLARD | ☐ | TRANSFORMER | ☐ | SANITARY SEWER |
| ⊕ | HANDICAP | ⊕ | TRAFFIC LIGHT POLE | ☐ | STORM |
| ⊖ | ELECTRIC METER | ⊖ | GROUND/SPOT LIGHT | ☐ | CORRUGATED METAL PIPE |
| ⊖ | GAS METER | ⊖ | LIGHT POLE | ☐ | ELECTRIC |
| ⊖ | GAS VALVE | ⊖ | POWER POLE | ☐ | FIBER OPTIC |
| ⊖ | FIRE HYDRANT | ⊖ | POWER POLE W/TRANSFORMER | ☐ | TELEPHONE |
| ⊖ | FIRE DEPARTMENT CONNECTION | ⊖ | POWER POLE W/CONDUIT | ☐ | WATER |
| ⊖ | WATER METER | ⊖ | METER POLE | ☐ | HIGHBANK |
| ⊖ | WATER VALVE | ⊖ | SERVICE POLE | ☐ | UNDERGROUND |
| ⊖ | IRRIGATION CONTROL VALVE | ⊖ | GUY ANCHOR | ☐ | FOUND |
| ☐ | GRATE INLET | ☐ | LANDSCAPING DRAIN | ☐ | MAG NAIL FOUND |
| ☐ | MANHOLE | ☐ | LANDSCAPING DRAIN | ☐ | IRON PIPE FOUND |
| ☐ | CLEANOUT | ☐ | MAILBOX | ☐ | IRON ROD FOUND |
| ☐ | TELEPHONE PEDESTAL | ☐ | SIGN | ☐ | "X" CUT FOUND |
| ☐ | CABLE PEDESTAL | ☐ | FIBER OPTIC MARKER | ☐ | DOCUMENT |
| ☐ | ELECTRIC BOX | ☐ | PIPELINE MARKER | ☐ | NUMBER |
| ☐ | TRAFFIC SIGNAL BOX | ☐ | UNDERGROUND CABLE SIGN | ☐ | VOLUME |
| ☐ | GUARD RAIL | ☐ | UNDERGROUND WATER SIGN | ☐ | PAGE |
| ☐ | BARBED WIRE FENCE | ☐ | UNDERGROUND SANITARY SIGN | ☐ | R.O.W. - RIGHT-OF-WAY |
| ☐ | WROUGHT IRON FENCE | ☐ | MONITORING WELL | ☐ | 50. FT. - SQUARE FEET |
| ☐ | WOOD FENCE | ☐ | PIN FLAG/PAINT MARK | ☐ | (P) - PER PLANS |
| ☐ | CHAINLINK FENCE | ☐ | TOP OF GRADE | ☐ | APPROX. - APPROXIMATE |
| ☐ | PVC FENCE | ☐ | FLOW LINE | ☐ | BL. - BUILDING LINE |
| ☐ | GATE POST | ☐ | CORRUGATED PLASTIC PIPE | ☐ | U.E. - UTILITY EASEMENT |
| ☐ | | ☐ | REINFORCED CONCRETE PIPE | ☐ | TREE |

LEGEND OF ABBREVIATIONS

- D.R.E.C.T. DEED RECORDS, ERATH COUNTY, TEXAS
- O.P.R.E.C.T. OFFICIAL PUBLIC RECORDS, ERATH COUNTY, TEXAS
- P.R.E.C.T. PLAT RECORDS, ERATH COUNTY, TEXAS
- ROW RIGHT OF WAY
- IRS 5/8 INCH CAPPED IRON ROD STAMPED "FLANAGAN" SET
- C.M. CONTROLLING MONUMENT

SURVEYOR'S NOTES:

- BEARINGS AND DISTANCES ARE BASED ON THE STATE PLANE COORDINATE SYSTEM, TEXAS NORTH CENTRAL ZONE (4202) NORTH AMERICAN DATUM OF 1983 (NAD 83)(US FOOT) WITH A COMBINED SCALE FACTOR OF 1.000060.
- SUBJECT PROPERTY IS SHOWN ON THE NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP FOR ERATH COUNTY, TEXAS AND INCORPORATED AREAS, MAP NO. 4814304300, COMMUNITY-PANEL NO. 48022004300, EFFECTIVE DATE: NOVEMBER 16, 2011. ALL OF THE SUBJECT PROPERTY IS SHOWN TO BE LOCATED IN ZONE X ON SAID MAP. THE LOCATION OF THE SAID FLOODZONES IS BASED ON SAID MAP, IS APPROXIMATE AND IS NOT LOCATED ON THE GROUND. RELEVANT ZONES ARE DEFINED ON SAID MAP AS FOLLOWS:

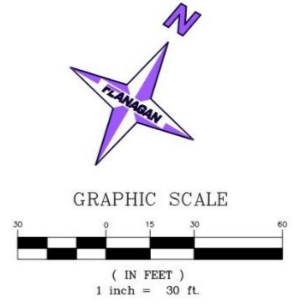
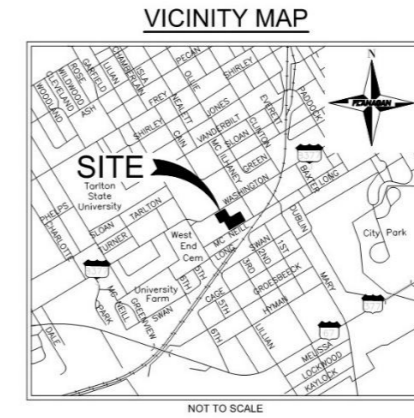
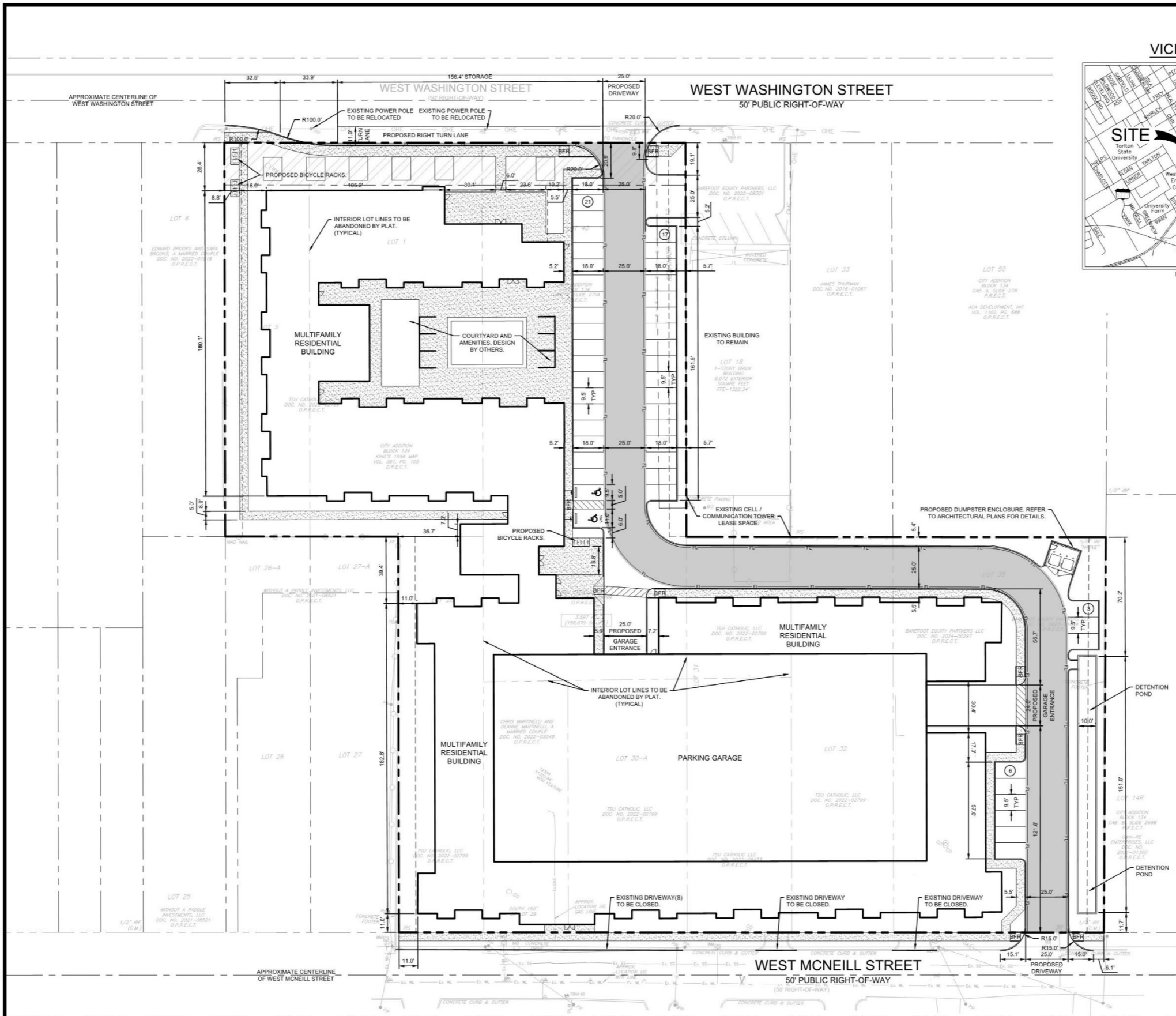
ZONE "X" - OTHER AREAS: AREAS DETERMINED TO BE OUTSIDE 500-YEAR FLOODPLAIN.
- ELEVATIONS ARE REFERENCED TO THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88) (US FOOT) USING THE ALLTERRA CENTRAL RTK COOPERATIVE NETWORK, GEOID MODEL 18 CON. U.S. OBSERVATIONS WERE MADE ON 11/12/2025.
- SQUARE FOOTAGE TOTALS SHOWN HEREON OR REFERENCED HEREIN ARE BASED ON MATHEMATICAL CLOSURES AND DO NOT NECESSARILY REPRESENT THE POSITIONAL ACCURACY OF THE BOUNDARY MONUMENTS.
- THE BOUNDARY SHOWN HEREON IS APPROXIMATE AND DEPICTED FOR REFERENCE ONLY. THIS EXHIBIT SHALL NOT BE RELIED UPON AS A FINAL SURVEY DOCUMENT.
- THE AREA OF THE BUILDING SHOWN IS BASED ON THE BUILDINGS FOOTPRINT AT GROUND LEVEL.

FLANAGAN SURVEYING
 Fort Worth, Texas | P: 817.704.0480 | flanagan-hs.com | TSPSLS Firm No. 10194766
 Contact: Mark Peeples, R.P.L.S.

BOUNDARY & TOPOGRAPHIC EXHIBIT
 OF
 3.597 ACRES
 SITUATED IN THE
 J. BLAIR SURVEY
 ABSTRACT NO. 32
 ERATH COUNTY, TEXAS

| | | |
|---------------|------------------|------------------|
| FIELD BY: BW | CHECKED BY: MNP | JOB NO: 6103 |
| DRAWN BY: NCR | DATE: 11/17/2025 | SHEET NO. 1 OF 1 |

Site Plan



- NOTES**
- ALL DIMENSIONS ARE TO FACE OF CURB UNLESS NOTED OTHERWISE.
 - REFER TO ARCHITECTURAL PLANS FOR EXACT BUILDING DIMENSIONS. BUILDING DIMENSIONS SHOWN ON THIS PLAN ARE FOR REFERENCE ONLY.
 - CONTRACTOR SHALL REFERENCE GENERAL NOTES SHEET FOR ADDITIONAL PROJECT INFORMATION APPLICABLE TO THIS SHEET.
 - ALL SIDEWALKS TO BE CONSTRUCTED WITH A MAXIMUM CROSS SLOPE OF 2.0%.

PRELIMINARY SITE PLAN - 5 STORY

TOTAL GROSS FLOOR AREA: 271,274 sf (80% EFFICIENCY)
TOTAL LEASEABLE - RESIDENTIAL: 216,620 sf
NUMBER OF STORIES - 5 STORIES (TYPE 3B)

208 TOTAL UNITS - 524 BEDS
 28 - STUDIO UNITS @ 450 SF
 46 - 1 BEDROOM UNITS @ 570 SF
 43 - 2 BEDROOM UNITS @ 750 SF
 91 - 4 BEDROOM UNITS @ 1,450 SF

587 OFF-STREET PARKING SPACES PROVIDED W/ 540 GATED GARAGE PARKING + 47 UNGATED SURFACE
TOTAL GARAGE AREA: 176,868 SF (327 SF PER STALL)

FLANAGAN
 Fort Worth, Texas | P-817-704-0480 | flanagan-lls.com | TBPE Firm No. 22910
 Contact: Reese Flanagan, P.E.

THE RIDER
 1334 WEST WASHINGTON STREET
 STEPHENVILLE, TEXAS

ZONING SITE PLAN

| No. | Date | Revision Description |
|-----|------|----------------------|
| | | |
| | | |
| | | |
| | | |

"EXHIBIT C"
BENCHMARKS

BM #1:
 X-CUT IN THE CONCRETE SIDEWALK ALONG THE SOUTHEAST R.O.W. OF WEST WASHINGTON STREET
 N: 6761562.16 E: 2057065.60 ELEV.=1320.44'

BM #2:
 X-CUT IN THE SOUTHEAST CONCRETE GUTTERLINE OF WEST MCNEILL STREET.
 N: 6761080.34 E: 2057241.09 ELEV.=1317.55'

THESE PLANS ARE ISSUED FOR THE PURPOSE OF PRELIMINARY REVIEW AND ARE NOT INTENDED FOR CONSTRUCTION. WHEN ISSUED IN FINAL FORM, THEY WILL BE SIGNED, SEALED, AND DATED BY:
 KELLAN D. BLACK, P.E.
 TEXAS REGISTRATION NO. 153561
 March 10, 2026

SHEET NUMBER
1 OF 1

File: F:\0322-89\NKK\Architecture\2022-89-15-The Rider\Civil\Plan\SheetC-2.1 Site Plan.dwg || Date Plotted: 3/10/2026 5:03 PM || Plotted By: Rick

811
 Know what's below.
 Call before you dig.
 (@ least 48 hours prior to digging)



Conceptual Rendering from Washington



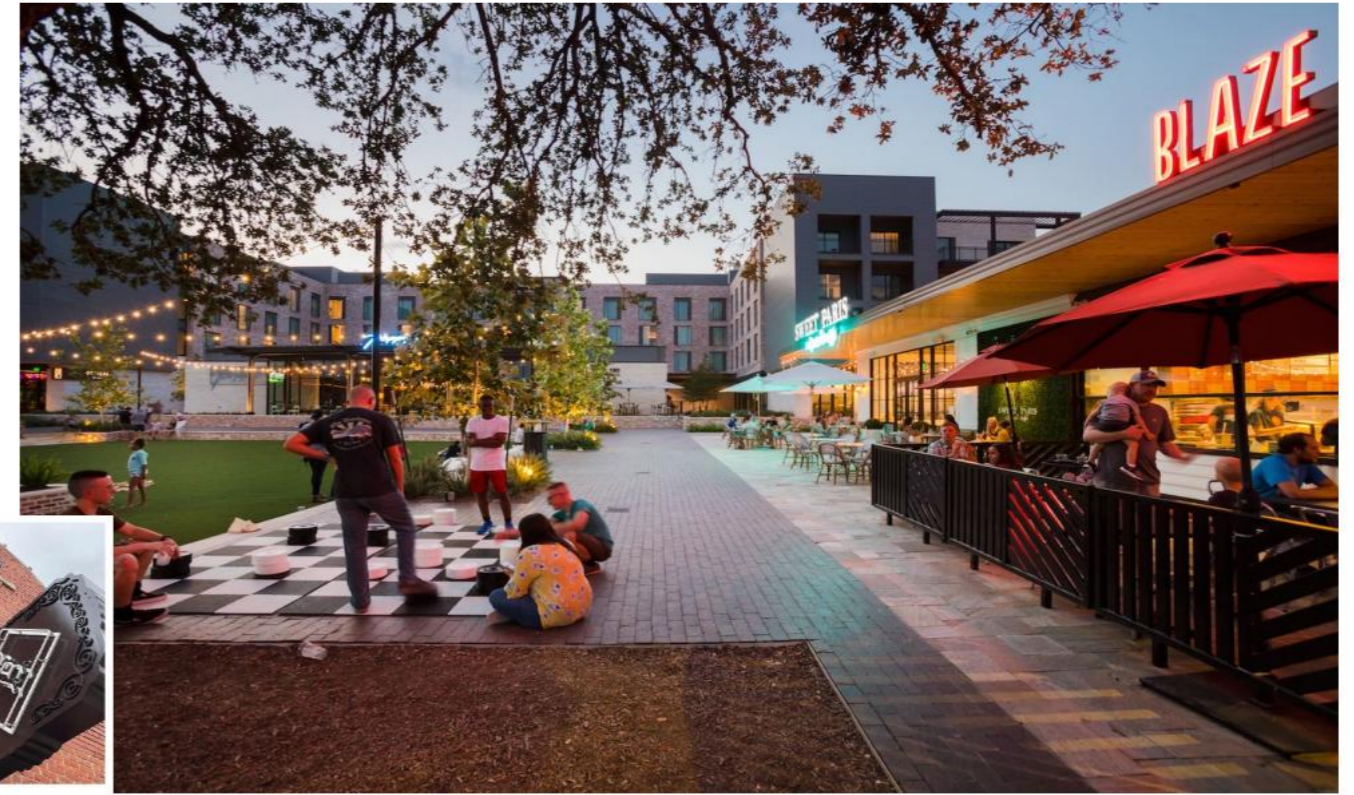


North Elevation




South Elevation

SIGNAGE & GREENSPACE INSPIRATION




BUILDING FLOOR PLAN & PROGRAM




208 TOTAL UNITS
524 TOTAL BEDROOMS

(28) studio units
(46) 1-bedroom units
(43) 2-bedroom units
(91) 4-bedroom units


587 OFF-STREET PARKING SPACES

540 gated garage parking spaces
47 ungated surface parking spaces





The Rider

DISCUSSION



MARCH 10, 2026

THE CITY OF STEPHENVILLE, TEXAS
PLANNED DEVELOPMENT DISTRICT

97W,
901 SOUTH MAIN STREET
FORT WORTH, TEXAS 76104

Section I: Introduction

In addition to applicable provisions of the City of Stephenville Zoning Ordinance, the Property, being within this Planned Development (PD) zoning district as proposed hereby, may be used in compliance with the following development and performance standards (the "Standards"):

The Property consists of tracts defined as:

A. Legal Description

1334, 1350 W. Washington Street & 1303, 1352 W. McNeill Street

A. BEING all of Lots 1, 5, 18, 28, 30-A, 31 and 32 and a portion of Lot 12, Block 134, City Addition, an addition to the City of Stephenville, Erath County, Texas, as shown per King's 1956 Map of the City of Stephenville, as recorded in Volume 381, Page 105, Deed Records, Erath County, Texas (DRECT) and being all of Lot 40, Block 34, City Addition, as shown per replat recorded in Cabinet A, Slide 279A, Plat Records, Erath County, Texas, same being a portion of that tract of land described in the deed to TSU Catholic, LLC, as recorded in Document No. 2022-02799, Real Records, Erath County, Texas (RRECT) and all of that tract of land described in the deed to TSU Catholic, LLC, as recorded in Document No. 2022-05473, RRECT, and being more particularly described by metes and bounds as follows: (Basis of bearing being U.S. State Plane Grid - Texas North Central Zone (4202) NAD83 as established using the AllTerra RTKNet Cooperative Network. Reference frame is NAD83(2011) Epoch 2010.0000. Distances shown are U.S. Survey feet displayed in surface values).

1292 W. Washington Street:

Acres 0.053, S2600 City Addition, Lots 12;18;30B;31; (PTS OF), Block 134

1345 W. McNeill Street

All that certain tract or parcel of land, being a portion of Lot 31, Block 134, City Addition, an addition to the City of Stephenville, Erath County, Texas

1357 W. McNeill Street

Being the south 150 feet of Lot 29, Block 134 City Addition, an addition to the City of Stephenville, Erath County, Texas, as shown per King's 1956 Map of the City of Stephenville, as recorded in Volume 381, Page 105, Deed Records, Erath County Texas, and being all of that tract of land described in the deed to Christ Martinelli, et ux., as recorded in document No. 2022-003049, Official Public Records, Erath County, Texas

1245 & 1255 W McNeill Street

Being all of Lots, 38 and 38a, Block 134, S2600 City Addition, an addition to City of Stephenville, Erath County, Texas

B. Exhibit A shows vicinity map of subject property, and Exhibit B shows the topographical survey

Section II: Zoning and Land Uses

The current zoning for all **3.597** acres is PD. Exhibit A shows a vicinity map illustrating the location of the subject property. The proposed development is requesting to change the zoning to a Planned Development (PD) District. This Planned Development is intended to redevelop and enhance this site. Exhibits D and E show the conceptual exterior of the proposed structure. This site will be developed to accommodate a transformational gateway to Tarleton State University and the Washington corridor, while continuing to add density and enhanced pedestrian experiences in Stephenville. The development will consist of approximately 271,274 GSF of multi-family and amenity space with 208 residential units, totaling 524 bedrooms, and a 5 ½ level parking garage with 540 gated parking spaces.

The proposed change in the zoning district compliments the City of Stephenville's Comprehensive Plan. Object L1 (in Chapter 4 of the Comprehensive Plan) states the City's goal to "provide suitable areas for a variety of residential types and densities", object L2.2 states "coordinate with TSU regarding development plans...and need for appropriate student housing". This zoning district will enhance a visible site to the University and Community by providing needed housing that will encourage an energetic site that's walkable morning, noon, and night.

A. Principal Uses: No land may be used, and no building may be erected or converted to any use other than the following:

1. Retail/Restaurant/Commercial
 - 1.1 Plan proposes '0' square feet of Retail / Restaurant / Commercial space
2. Multiple Family Dwelling / Student Living
 - 2.1 Plan proposes 208 residential units totaling 524 bedrooms and approximately 271,274 square feet with 216,620 square feet of leasable and 54,624 square feet of common use, office and amenity space.
3. Telecommunications support structure and antenna facilities within the Tower and Antenna Facilities Site identified on the Minor Plat and the Concept and Development Plans.
 - 3.1 Telecommunications and Support Structure antenna is proposed to be 125'
4. Single Family
 - 4.1 Single family dwelling will be demolished prior to the start of construction, ending the non-conforming use.
5. Parking Garage
 - 5.1 Plan proposes approximately 176,868 square foot 5 ½ level gated parking garage with 540 parking spaces. All parking spaces will be 9.5'x18' per city standard requirements.

B. Development Schedule

1. The Project has an approximate completion date of Summer 2028 upon City Council approval in Q1 2026. Dependent on City Council approval, building permits will be applied for in summer of 2026 and construction slated to commence upon issuance of building permits.

Section III: Design and Requirements

The Site Plan for the Development can be found in Exhibit C.
The Conceptual Exterior Renderings can be found in Exhibit D and E.

A. Multi-family Requirements:

1. Structures within this PD are to abide by the following building setbacks:
 - a. Minimum front setback: 0'
 - b. Minimum rear setback: 0'
 - c. Minimum side setback: 10'

B. Telecommunications Support Structure and Antenna Facilities Requirements:

1. Telecommunications support structures and antenna facilities within the Tower and Antenna Facilities Site within this PD are to abide by the following:
 - a. Setbacks:
 - i. Minimum front setback: 0'
 - ii. Minimum rear setback: 0'
 - iii. Minimum side setback: 0'
 - b. Screening and fencing: Chain-link fencing is permitted
 - c. Landscaping requirement: No landscaping requirement
 - d. Telecommunications and Support Structure antenna facilities height: 125' max.

C. Building Design:

- 1. The proposed building height will be 57'-0" to the top of the parapet wall, and 62'-6" to the top of architectural features.
- 2. Maximum building height may be 62'-6".

D. Screening and Fencing:

- 1. The garbage refuse area will be screened per the requirements detailed in Section 6.7.K. of Stephenville's subdivision ordinance. Service intervals shall be scheduled four times per week and increased as needed.

E. Lighting:

- 1. Exterior lighting features shall be placed and reflected to not create annoyances, nuisances, or hazards.

F. Signage:

- 1. All signage will follow the requirements as stated in Section 154.12 of Stephenville's Zoning Regulations with the following exceptions:
 - a. Neon/LED or similar types of lighting may be permitted in signage.

G. Sidewalks:

- 1. Sidewalks shall be constructed to meet the requirements as stated in Section 155.6.11 of Stephenville's Subdivision Ordinance at all right of way frontages.

H. Landscaping:

- 1. The proposed site plan for this Planned Development District provides greater than the city requirement of 15% landscape coverage. Total site area is 156,679 square feet and the minimum required landscaped area equals 23,502 square feet. The proposed landscaping coverage is approximately 29,539 square feet including 30% within the front yard and ROW. This consists of trees and shrubs/grasses etc.- and will exceed the minimum quantities of trees and plants established in Section 154.13.C of the City of Stephenville's Landscape Requirements per submitted and approved landscape plans.

Section IV: Parking and Access Requirements

A. Parking:

- 1. (587) parking spaces will be provided for this Planned Development with a shared parking agreement with the adjacent neighbor. Shared parking agreement has been provided
- 2. (540) gated parking spaces are provided for all units OR 1.03 per bed. Resident parking will be provided within the gated parking garage.

B. Access:

- 1. The development has frontage on Washington Street and McNeil Street with an internal lane for direct access into the parking garage.

Section V: Considerations

A. Comprehensive Plan:

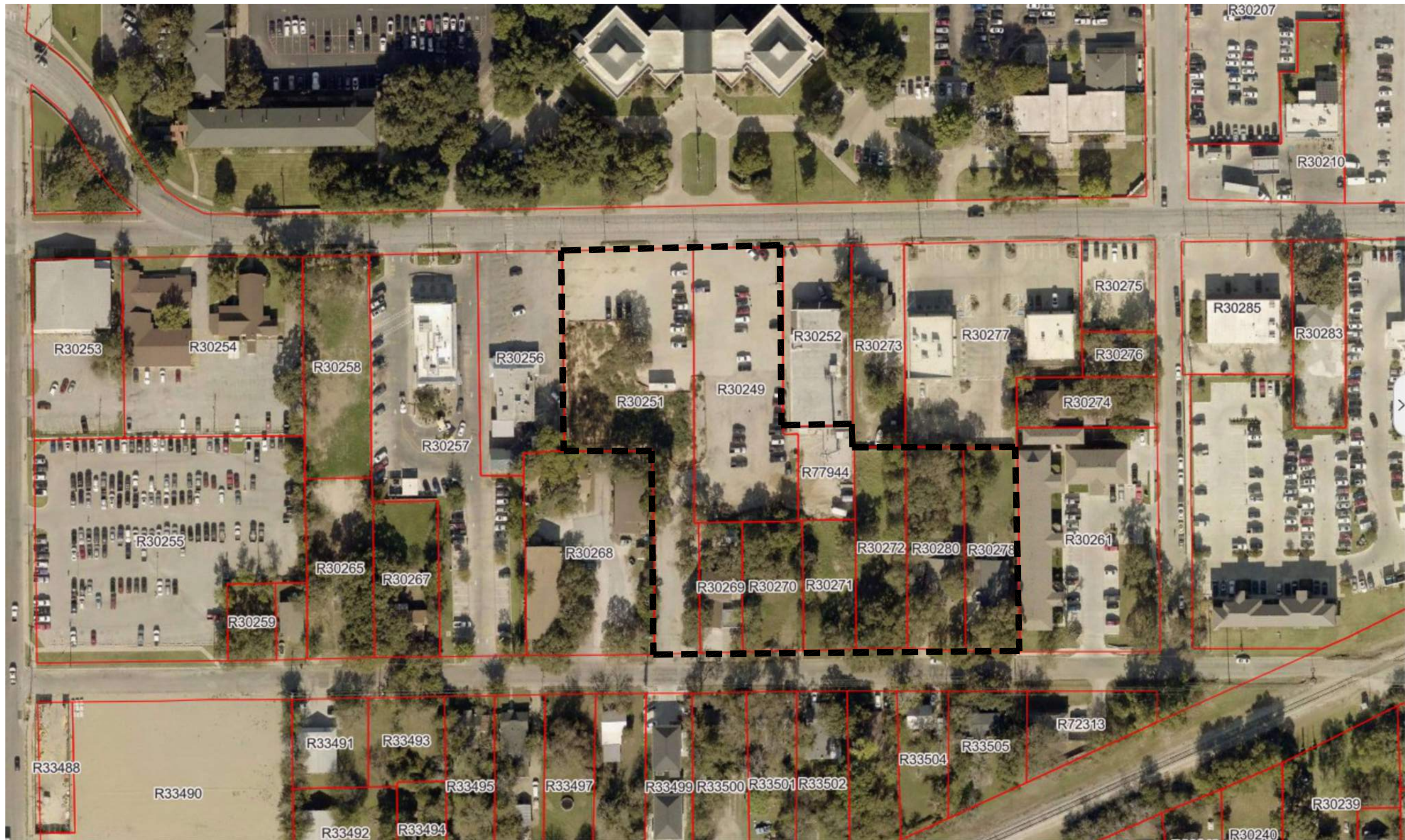
- 1. This proposed development complements the goals outlined in the City of Stephenville's Comprehensive Plan. The proposed development revitalizes a key area for the community and University by providing purpose-built student housing at the doorstep of Tarleton State University campus.

B. Infrastructure:

- 1. Water and Sewer are available to the site, and adequate infrastructure will be provided to serve the development.

Section VI: Exhibits

- A. Vicinity / Zoning Map**
- B. Survey**
- C. Site Plan**
- D. Exterior Rendering**
- E. Aerial Rendering**
- F. Exterior Elevations**



street.™

EXHIBIT A - VICINITY / ZONING MAP



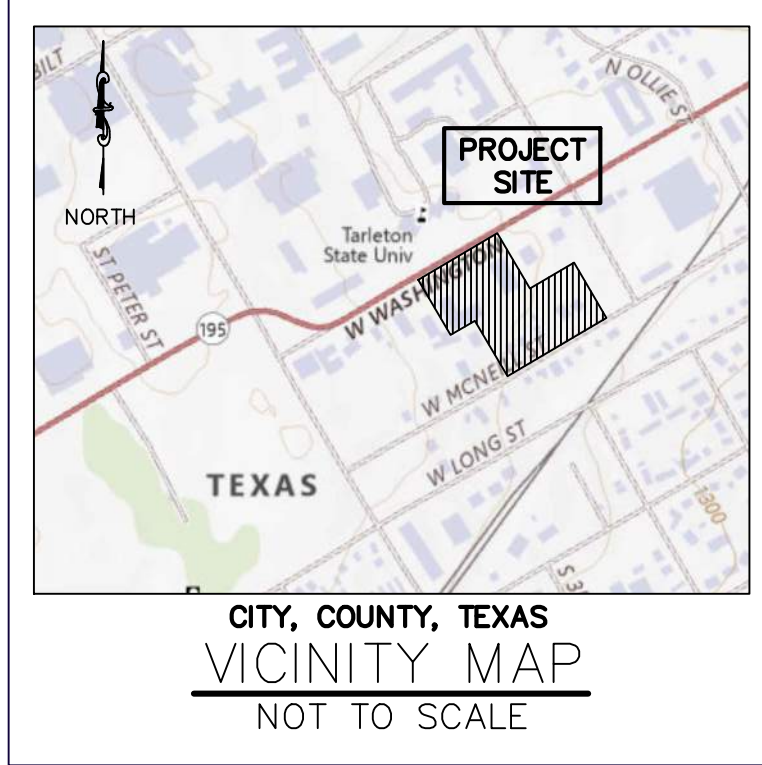


EXHIBIT B - SURVEY

PRELIMINARY

THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT DATED 11/17/2025.

NOTES REGARDING UTILITIES:

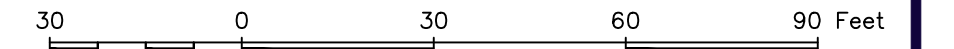
UTILITY LOCATIONS ARE PER OBSERVED EVIDENCE AND THE BELOW SOURCES DIGTEST - TICKET #258005522

SOURCE INFORMATION FROM PLANS AND MARKINGS WILL BE COMBINED WITH OBSERVED EVIDENCE OF UTILITIES TO DEVELOP A VIEW OF THE UNDERGROUND UTILITIES. HOWEVER, LACKING EXCAVATION, THE EXACT LOCATION OF UNDERGROUND FEATURES CANNOT BE ACCURATELY, COMPLETELY, AND RELIABLY DEPICTED. IN ADDITION, IN SOME JURISDICTIONS, 811 OR OTHER SIMILAR UTILITY LOCATE REQUESTS FROM SURVEYORS MAY BE IGNORED OR RESULT IN AN INCOMPLETE RESPONSE. WHERE ADDITIONAL OR MORE DETAILED INFORMATION IS REQUIRED, THE CLIENT IS ADVISED THAT EXCAVATION AND/OR A PRIVATE UTILITY LOCATE REQUEST MAY BE NECESSARY.

AS OF THE DATE OF THIS SURVEY, THE CITY OF STEPHENVILLE HAD NOT RESPONDED REGARDING LOCATIONS AND SIZES OF THEIR RESPECTIVE SERVICE LINES IN THE AREA. LOCATIONS OF ALL UTILITIES SHOULD BE VERIFIED PRIOR TO ANY CONSTRUCTION ACTIVITIES.

NORTH

GRAPHIC SCALE: 1" = 30'



LEGEND

*** SOME OF THESE ELEMENTS MAY NOT BE USED ON THIS SURVEY**

| | | | | | |
|-------|--------------------------|---------|----------------------|---------|-----------------------|
| BO | BOLLARD | □ T | TRANSFORMER | SAN | SANITARY SEWER |
| EM | ELECTRIC METER | ★ TLP | TRAFFIC LIGHT POLE | STM | STORM SEWER |
| GM | GAS METER | ★ GL | GROUND/SPOT LIGHT | OMP | CORRUGATED METAL PIPE |
| GV | GAS VALVE | ★ LP | LIGHT POLE | ELC | ELECTRIC |
| PP | POWER POLE | ● PP | POWER POLE | FO | FIBER OPTIC |
| PP/T | POWER POLE W/TRANSFORMER | ● PP/CT | POWER POLE W/CONDUIT | TEL | TELEPHONE |
| PP/CT | POWER POLE W/CONDUIT | ● MP | METER POLE | WTR | WATER |
| MP | METER POLE | ● SP | SERVICE POLE | UG | UNDERGROUND |
| SP | SERVICE POLE | ● WM | WATER METER | FND | FOUND |
| WM | WATER METER | ● WV | WATER VALVE | MNF | MAG NAIL FOUND |
| WV | WATER VALVE | ● W | WOOD | IPF | IRON PIPE FOUND |
| W | WOOD | ● I | IRON ROD FOUND | IRF | IRON ROD FOUND |
| ICV | IRRIGATION CONTROL VALVE | ● GAC | GUY ANCHOR | XF | "X" CUT FOUND |
| IR | IRON ROD FOUND | ● GR | GRATE | DOC | DOCUMENT |
| GR | GRATE | ● L | LANDSCAPING DRAIN | NO. | NUMBER |
| L | LANDSCAPING DRAIN | ● M | MANHOLE | VOL. | VOLUME |
| M | MANHOLE | ● P | PIN FLAG/PAIN MARK | PG. | PAGE |
| P | PIN FLAG/PAIN MARK | ● C | CABLE PEDESTAL | R.O.W. | RIGHT-OF-WAY |
| C | CABLE PEDESTAL | ● EB | ELECTRIC BOX | SQ. FT. | SQUARE FEET |
| EB | ELECTRIC BOX | ● TSB | TRAFFIC SIGNAL BOX | (P) | PER PLANS |
| TSB | TRAFFIC SIGNAL BOX | ● W | WOOD FENCE | APPROX. | APPROXIMATE |
| W | WOOD FENCE | ● F | FLOW LINE | B.L. | BUILDING LINE |
| F | FLOW LINE | ● C | CHAINLINK FENCE | U.E. | UTILITY EASEMENT |
| C | CHAINLINK FENCE | ● GP | GATE POST | T | TREE |
| GP | GATE POST | | | | |

TEMPORARY BENCHMARK #1 ELEVATION - 1320.44'
 BEING AN X-CUT SET IN THE CONCRETE SIDEWALK ALONG THE SOUTH-EAST RIGHT-OF-WAY LINE OF WEST WASHINGTON STREET (A 50' PUBLIC RIGHT-OF-WAY), SAID X-CUT BEING ±21.37' EAST NORTHEAST OF A POWER POLE AND ±38.59' SOUTHWEST OF THE NORTH CORNER OF LOT 18, BLOCK 134, CITY ADDITION, AN ADDITION TO THE CITY OF STEPHENVILLE ACCORDING TO KING'S 1956 MAP RECORDED IN VOO. 381, PG. 105, D.R.E.C.T..

TEMPORARY BENCHMARK #2 ELEVATION - 1317.55'
 BEING AN X-CUT SET IN THE SOUTHEAST CONCRETE GUTTERLINE OF WEST MCNEILL STREET (A 50' PUBLIC RIGHT-OF-WAY), SAID X-CUT BEING ±6.55' NORTHWEST OF A POWER POLE AND ±48.12' EAST SOUTHEAST OF A WATER METER.

PROPERTY DESCRIPTION:
 BEING A 3.597 ACRE TRACT OF LAND SITUATED IN THE J. BLAIR SURVEY, ABSTRACT NO. 32, IN THE CITY OF STEPHENVILLE, ERATH COUNTY, TEXAS, AND BEING ALL OF LOT 5, LOT 1, LOT 26, PART OF LOT 29, LOT 30-A, LOT 31, LOT 32, AND LOT 36, BLOCK 134 OF CITY ADDITION, AN ADDITION TO THE CITY OF STEPHENVILLE, AS DEPICTED ON KING'S 1956 MAP RECORDED IN VOLUME 381, PAGE 105, DEED RECORDS, ERATH COUNTY, TEXAS, AND BEING ALL OF LOT 40, BLOCK 134, CITY ADDITION, AN ADDITION TO THE CITY OF STEPHENVILLE, ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET A, SLIDE 279A, PLAT RECORDS, ERATH COUNTY, TEXAS, AND BEING ALL OF THAT SAME TRACT OF LAND DESCRIBED TO TSU CATHOLIC, LLC IN WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOCUMENT NUMBER (DOC. NO.) 2022-02799, OFFICIAL PUBLIC RECORDS, ERATH COUNTY, TEXAS (O.P.R.E.C.T.), AND BEING ALL OF THAT SAME TRACT OF LAND DESCRIBED TO BAREFOOT EQUITY PARTNERS, LLC IN WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOC. NO. 2024-00297, O.P.R.E.C.T., AND BEING ALL OF THAT SAME TRACT OF LAND DESCRIBED TO TSU CATHOLIC, LLC IN SPECIAL WARRANTY DEED RECORDED IN DOC. NO. 2022-02473, O.P.R.E.C.T., AND BEING ALL OF THAT SAME TRACT OF LAND DESCRIBED TO CHRIS & DENINE MARTINELLI IN GENERAL WARRANTY DEED RECORDED IN DOC. NO. 2022-03049, O.P.R.E.C.T., AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 1/2-INCH IRON ROD WITH CAP STAMPED "PRICE" FOUND FOR THE EAST CORNER OF LOT 14R, BLOCK 134, CITY ADDITION, AN ADDITION TO THE CITY OF STEPHENVILLE, ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET B, SLIDE 268B, PLAT RECORDS, ERATH COUNTY, TEXAS, SAID POINT LYING AT THE INTERSECTION OF THE SOUTHWEST RIGHT-OF-WAY LINE OF SOUTH MOLHANY AVENUE (VARIABLE WIDTH PUBLIC RIGHT-OF-WAY) WITH THE NORTHWEST RIGHT-OF-WAY LINE OF WEST MCNEILL STREET (50-FOOT PUBLIC RIGHT-OF-WAY);

THENCE SOUTH 59 DEGREES 32 MINUTES 04 SECONDS WEST, WITH THE NORTHWEST RIGHT-OF-WAY LINE OF SAID WEST MCNEILL STREET, AND THE SOUTHWEST LINE OF SAID LOT 14R, A DISTANCE OF 155.56 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE SOUTH CORNER THEREOF; SAID POINT BEING THE EAST CORNER OF SAID LOT 38, AND BEING THE POINT OF BEGINNING;

THENCE SOUTH 59 DEGREES 32 MINUTES 04 SECONDS WEST, WITH THE NORTHWEST RIGHT-OF-WAY LINE OF SAID WEST MCNEILL STREET, AND THE SOUTHWEST LINE OF SAID LOT 38, SAID LOT 31, SAID LOT 30-A, REMAINDER OF SAID LOT 29, AND SAID LOT 28, A DISTANCE OF 415.66 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "FLANAGAN 6443" SET FOR THE SOUTH CORNER OF SAID LOT 28, SAME BEING THE EAST CORNER OF THAT SAME TRACT OF LAND DESCRIBED TO WITHOUT A PADDLE INVESTMENTS, LLC IN WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOC. NO. 2021-08521, O.P.R.E.C.T.;

THENCE NORTH 30 DEGREES 36 MINUTES 11 SECONDS WEST, DEPARTING THE NORTHWEST RIGHT-OF-WAY LINE OF SAID WEST MCNEILL STREET, WITH THE SOUTHWEST LINE OF SAID LOT 28 AND THE NORTHEAST LINE OF SAID WITHOUT A PADDLE INVESTMENTS TRACT, A DISTANCE OF 232.86 FEET TO AN "X" CUT IN CONCRETE FOUND FOR THE WEST CORNER OF SAID LOT 28, SAME BEING THE NORTH CORNER OF SAID WITHOUT A PADDLE INVESTMENTS TRACT;

THENCE SOUTH 59 DEGREES 34 MINUTES 24 SECONDS WEST, WITH THE SOUTHWEST LINE OF SAID LOT 1, SAID LOT 5, AND THE NORTHWEST LINE OF SAID WITHOUT A PADDLE INVESTMENTS TRACT, A DISTANCE OF 102.00 FEET TO A "MAG" NAIL FOUND FOR THE SOUTH CORNER OF SAID LOT 5, SAME BEING THE WEST CORNER OF SAID WITHOUT A PADDLE INVESTMENTS TRACT, AND THE EAST CORNER OF THAT SAME TRACT OF LAND DESCRIBED TO EDWARD & SARA BROOKS IN SPECIAL WARRANTY DEED RECORDED IN DOC. NO. 2022-07518, O.P.R.E.C.T.;

THENCE NORTH 30 DEGREES 36 MINUTES 11 SECONDS WEST, WITH THE SOUTHWEST LINE OF SAID LOT 5, AND THE NORTHEAST LINE OF SAID BROOKS TRACT, A DISTANCE OF 232.16 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "FLANAGAN 6443" SET FOR THE WEST CORNER OF SAID LOT 5, SAME BEING THE NORTH CORNER OF SAID BROOKS TRACT, AND LYING ON THE SOUTHWEST RIGHT-OF-WAY LINE OF WEST WASHINGTON STREET (50-FOOT PUBLIC RIGHT-OF-WAY);

THENCE NORTH 59 DEGREES 32 MINUTES 04 SECONDS EAST, WITH THE SOUTHWEST RIGHT-OF-WAY LINE OF SAID WEST WASHINGTON STREET, AND THE NORTHWEST LINE OF SAID LOT 5, LOT 1, AND SAID LOT 40, A DISTANCE OF 254.76 FEET TO A POINT FOR THE NORTH CORNER OF SAID LOT 40;

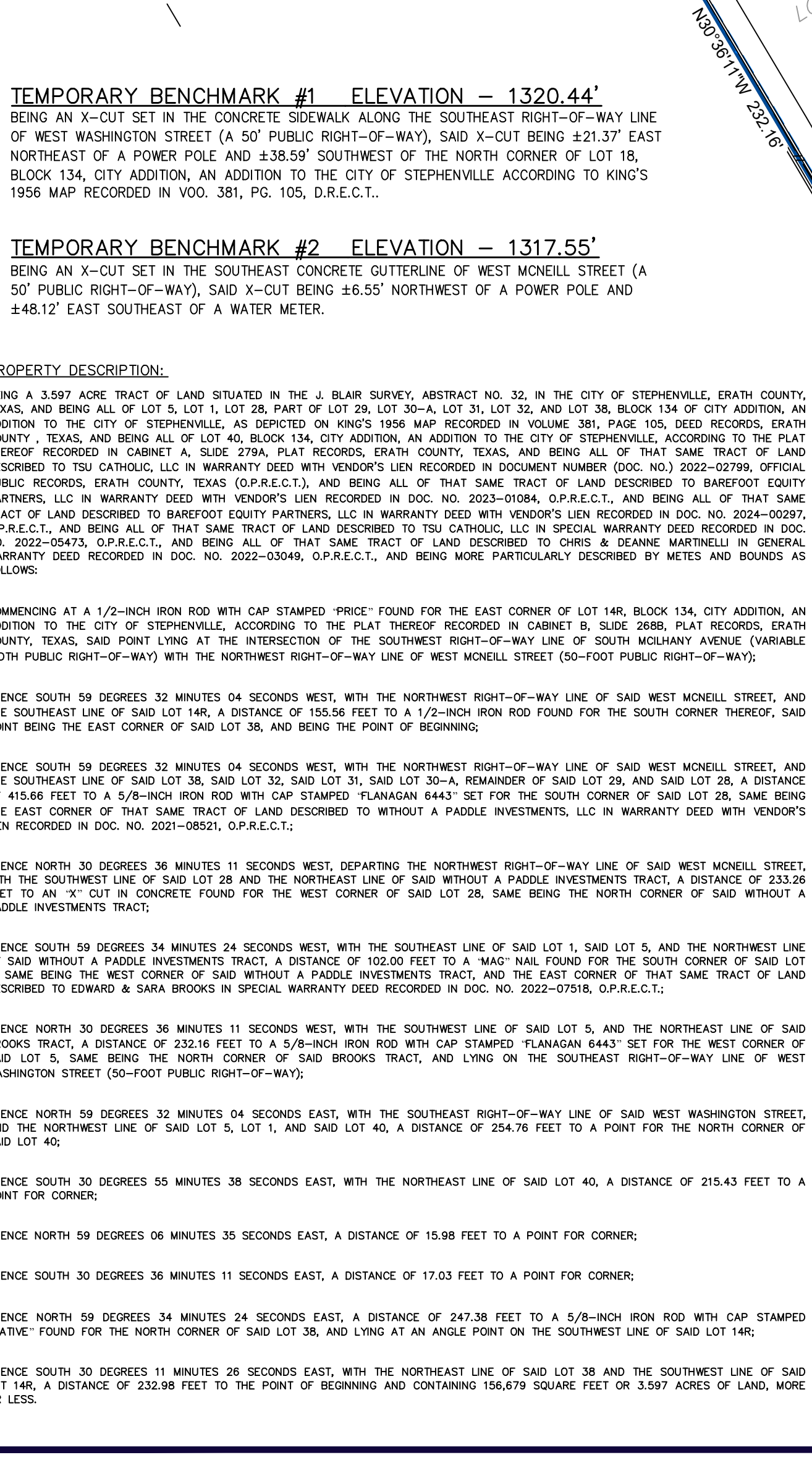
THENCE SOUTH 30 DEGREES 55 MINUTES 38 SECONDS EAST, WITH THE NORTHEAST LINE OF SAID LOT 40, A DISTANCE OF 215.43 FEET TO A POINT FOR CORNER;

THENCE NORTH 59 DEGREES 06 MINUTES 35 SECONDS EAST, A DISTANCE OF 15.98 FEET TO A POINT FOR CORNER;

THENCE SOUTH 30 DEGREES 36 MINUTES 11 SECONDS EAST, A DISTANCE OF 17.03 FEET TO A POINT FOR CORNER;

THENCE NORTH 59 DEGREES 34 MINUTES 24 SECONDS EAST, A DISTANCE OF 247.38 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "NATIVE" FOUND FOR THE NORTH CORNER OF SAID LOT 38, AND LYING AT AN ANGLE POINT ON THE SOUTHWEST LINE OF SAID LOT 14R;

THENCE SOUTH 30 DEGREES 11 MINUTES 26 SECONDS EAST, WITH THE NORTHEAST LINE OF SAID LOT 38 AND THE SOUTHWEST LINE OF SAID LOT 14R, A DISTANCE OF 232.86 FEET TO THE POINT OF BEGINNING AND CONTAINING 156,679 SQUARE FEET OR 3.597 ACRES OF LAND, MORE OR LESS.



SURVEYOR'S NOTES:

- BEARINGS AND DISTANCES ARE BASED ON THE STATE PLANE COORDINATE SYSTEM, TEXAS NORTH CENTRAL ZONE (4202) NORTH AMERICAN DATUM OF 1983 (NAD 83)(US FOOT) WITH A COMBINED SCALE FACTOR OF 1.000060.
- SUBJECT PROPERTY IS SHOWN ON THE NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP FOR ERATH COUNTY, TEXAS AND INCORPORATED AREAS, MAP NO. 4814-3C0430D, COMMUNITY-PANEL NO. 4802200430D, EFFECTIVE DATE: NOVEMBER 18, 2011. ALL OF THE SUBJECT PROPERTY IS SHOWN TO BE LOCATED IN ZONE X ON SAID MAP. THE LOCATION OF THE SAID FLOODZONES IS BASED ON SAID MAP, IS APPROXIMATE AND IS NOT LOCATED ON THE GROUND. RELEVANT ZONES ARE DEFINED ON SAID MAP AS FOLLOWS:

ZONE "X" - OTHER AREAS: AREAS DETERMINED TO BE OUTSIDE 500-YEAR FLOODPLAIN.
- ELEVATIONS ARE REFERENCED TO THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88) (US FOOT) USING THE ALLIETRA CENTRAL RTK COOPERATIVE NETWORK, GEOID MODEL 18 CON. U.S. OBSERVATIONS WERE MADE ON 11/12/2025.
- SQUARE FOOTAGE TOTALS SHOWN HEREON OR REFERENCED HEREIN ARE BASED ON MATHEMATICAL CLOSURES AND DO NOT NECESSARILY REPRESENT THE POSITIONAL ACCURACY OF THE BOUNDARY MONUMENTS.
- THE BOUNDARY SHOWN HEREON IS APPROXIMATE AND DEPICTED FOR REFERENCE ONLY. THIS EXHIBIT SHALL NOT BE RELIED UPON AS A FINAL SURVEY DOCUMENT.
- THE AREA OF THE BUILDING SHOWN IS BASED ON THE BUILDINGS FOOTPRINT AT GROUND LEVEL.

Fort Worth, Texas | P: 817.704.0480 | flanagan-s.com | TBPELS Firm No. 10194766
 Contact: Mark Peeples, R.P.L.S.

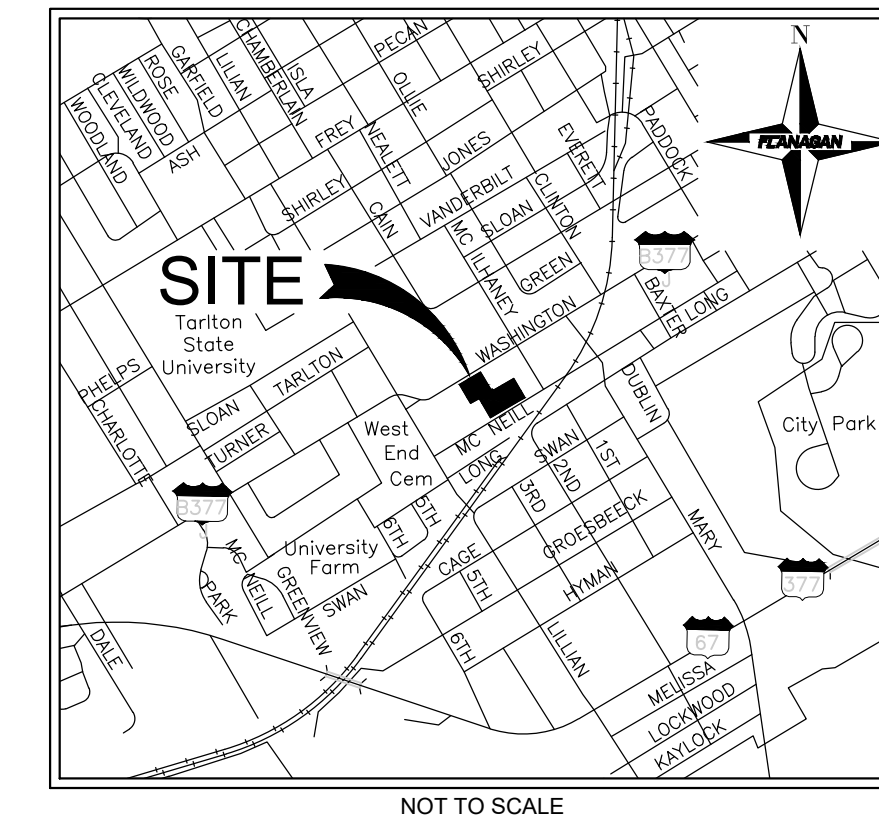
BOUNDARY & TOPOGRAPHIC EXHIBIT
 OF
3.597 ACRES
 SITUATED IN THE
J. BLAIR SURVEY
 ABSTRACT NO. 32
 ERATH COUNTY, TEXAS

| | | |
|---------------|------------------|------------------|
| FILED BY: BW | CHECKED BY: MNP | JOB NO. 6103 |
| DRAWN BY: NCR | DATE: 11/17/2025 | SHEET NO. 1 OF 1 |

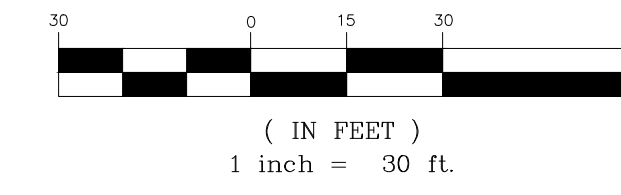


Know what's below.
Call before you dig.
(@ least 48 hours prior to digging)

VICINITY MAP



GRAPHIC SCALE



LEGEND

| | |
|--|--|
| | PROPERTY LINE |
| | EASEMENT / SETBACK LINE |
| | FIRE LANE STRIPING |
| | FIRE LANE EXTENTS |
| | PROPOSED 25' RIGHT OF WAY DEDICATION BY PLAT |
| | SIDEWALK / FLATWORK |
| | ACCESSIBLE PARKING SPACE |
| | BARRIER FREE RAMP |

NOTES

- ALL DIMENSIONS ARE TO FACE OF CURB UNLESS NOTED OTHERWISE.
- REFER TO ARCHITECTURAL PLANS FOR EXACT BUILDING DIMENSIONS. BUILDING DIMENSIONS SHOWN ON THIS PLAN ARE FOR REFERENCE ONLY.
- CONTRACTOR SHALL REFERENCE GENERAL NOTES SHEET FOR ADDITIONAL PROJECT INFORMATION APPLICABLE TO THIS SHEET.
- ALL SIDEWALKS TO BE CONSTRUCTED WITH A MAXIMUM CROSS SLOPE OF 2.0%.

PRELIMINARY SITE PLAN - 5 STORY

| | |
|---|-------------------------------|
| TOTAL GROSS FLOOR AREA: | 271,274 sf (80% EFFICIENCY) |
| TOTAL LEASEABLE - RESIDENTIAL: | 216,620 sf |
| NUMBER OF STORIES - | 5 STORIES (TYPE 3B) |
| 208 TOTAL UNITS - 524 BEDS | |
| 28 - STUDIO UNITS @ 450 SF | |
| 46 - 1 BEDROOM UNITS @ 570 SF | |
| 43 - 2 BEDROOM UNITS @ 750 SF | |
| 91 - 4 BEDROOM UNITS @ 1,450 SF | |
| 587 OFF-STREET PARKING SPACES PROVIDED W/ 540 GATED GARAGE PARKING + 47 UNGATED SURFACE | |
| TOTAL GARAGE AREA: | 176,888 SF (327 SF PER STALL) |

FLANAGAN
Fort Worth, Texas | P: 817.704.0480 | flanagan-is.com | TBPE Firm No. 22910
Contact: Reese Flanagan, P.E.

THE RIDER
1334 WEST WASHINGTON STREET
STEPHENVILLE, TEXAS

ZONING SITE PLAN

| No. | Date | Revision/Description |
|-----|------|----------------------|
| | | |
| | | |
| | | |
| | | |

PROJECT NO.: 2022-57-01

THESE PLANS ARE ISSUED FOR THE PURPOSE OF PRELIMINARY REVIEW AND ARE NOT INTENDED FOR CONSTRUCTION. WHEN ISSUED IN FINAL FORM, THEY WILL BE SIGNED, SEALED, AND DATED BY:

KELLAN D. BLACK, P.E.
TEXAS REGISTRATION NO. 153561
March 10, 2026

SHEET NUMBER
1 OF 1

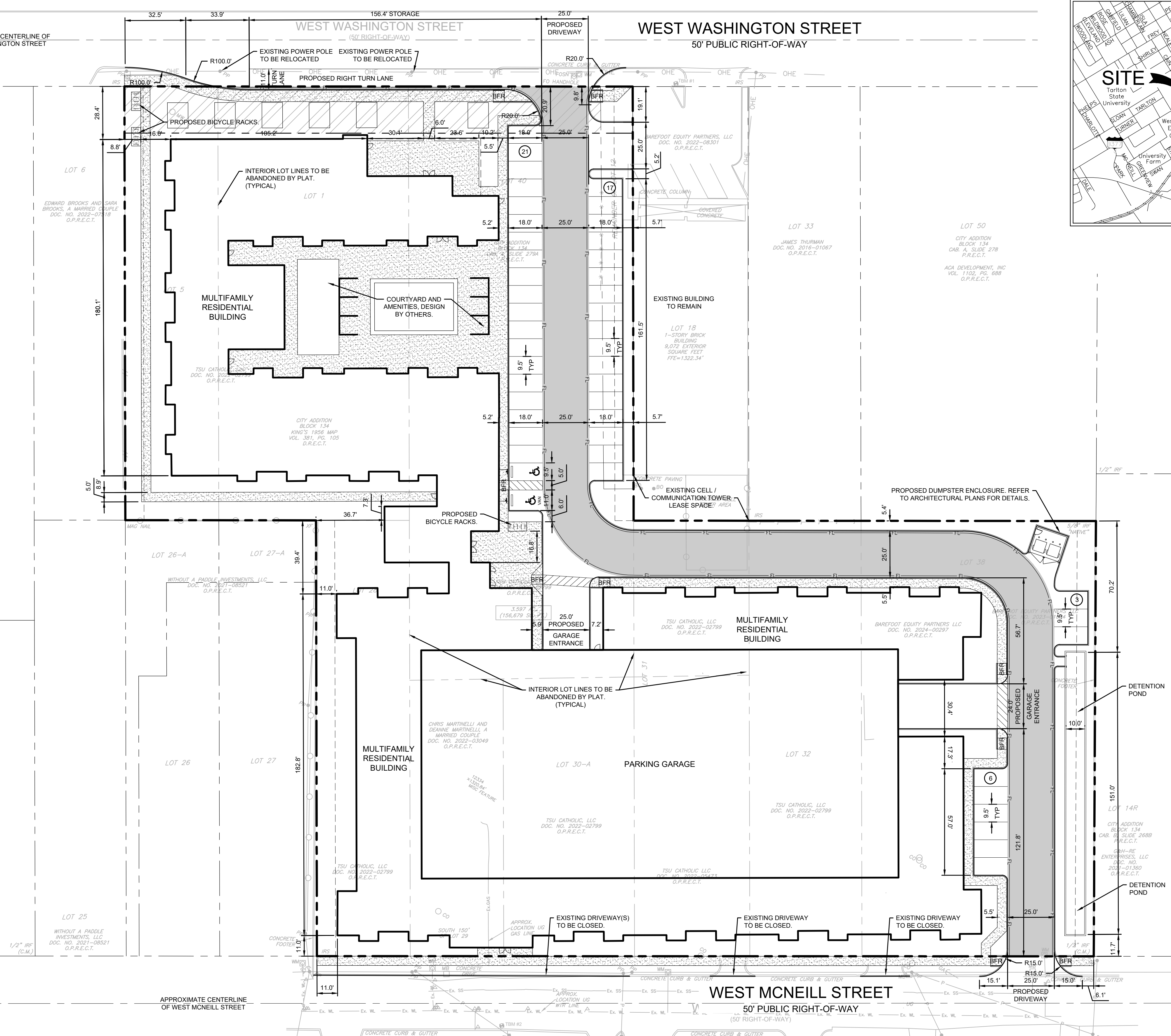


EXHIBIT C - SITE PLAN
BENCHMARKS

| |
|--|
| BM #1: X-CUT IN THE CONCRETE SIDEWALK ALONG THE SOUTHEAST R.O.W. OF WEST WASHINGTON STREET N: 6761562.16 E: 2057065.60 ELEV = 1320.44' |
| BM #2: X-CUT IN THE SOUTHEAST CONCRETE GUTTERLINE OF WEST MCNEILL STREET. N: 6761090.34 E: 2057241.09 ELEV = 1317.55' |



street.™

EXHIBIT D





street.™

EXHIBIT E



125'-0"
T.O. CELL TOWER
62'-6"
T.O. PARAPET
52'-6"
T.O. ROOF DECK
42'-0"
5TH FLOOR
31'-6"
4TH FLOOR
21'-0"
3RD FLOOR
10'-6"
2ND FLOOR
0'-0"
FINISH FLOOR



125'-0"
T.O. CELL TOWER
62'-6"
T.O. PARAPET
52'-6"
T.O. ROOF DECK
42'-0"
5TH FLOOR
31'-6"
4TH FLOOR
21'-0"
3RD FLOOR
10'-6"
2ND FLOOR
0'-0"
FINISH FLOOR



125'-0"
T.O. CELL TOWER
62'-6"
T.O. PARAPET
52'-6"
T.O. ROOF DECK
42'-0"
5TH FLOOR
31'-6"
4TH FLOOR
21'-0"
3RD FLOOR
10'-6"
2ND FLOOR
0'-0"
FINISH FLOOR



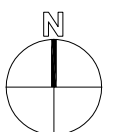
125'-0"
T.O. CELL TOWER
62'-6"
T.O. PARAPET
52'-6"
T.O. ROOF DECK
42'-0"
5TH FLOOR
31'-6"
4TH FLOOR
21'-0"
3RD FLOOR
10'-6"
2ND FLOOR
0'-0"
FINISH FLOOR



street.™

EXHIBIT F

1" = 50'



Review Date: 02/25/2026

Developer/Engineer: Street Realty & Reload Capital / Flanagan

Description: The Rider (208 residential units & parking garage)

Address: 1334 W. Washington (BUS 377)

Development Type: Commercial Residential Subdivision Multi-Family

Planned Development:

- 1st Submittal – Submittal received 02/13/2026. Review completed 02/25/2026.

Public Works has reviewed the Planned Development submittal for general compliance with City of Stephenville codes, ordinances, and standards. The list of preliminary comments provided below is not guaranteed to identify all requirements. The Engineer of Record is solely responsible for the accuracy and completeness of the design and for ensuring the design and construction of public improvements comply with all applicable city, state, and federal laws and regulations.

Comments:

1. TxDOT authorization is required for proposed improvements along W. Washington.
2. Written authorization from adjacent property owner is required for proposed civil improvements outside limits of development property.
3. The use of common driveways and parking shall require the dedication of a joint-use private access easement on each affected property. (Ord. Sec. 155.6.05.E.)
4. The development is responsible for the installation and/or relocation of franchise/private utilities along W. Washington and W. McNeill as may be required.
5. The development is responsible for compliance with drainage and stormwater requirements. (Ord. Sec. 155.6.15.; ESM Part IV & Appendix C iSWM Criteria Manual)

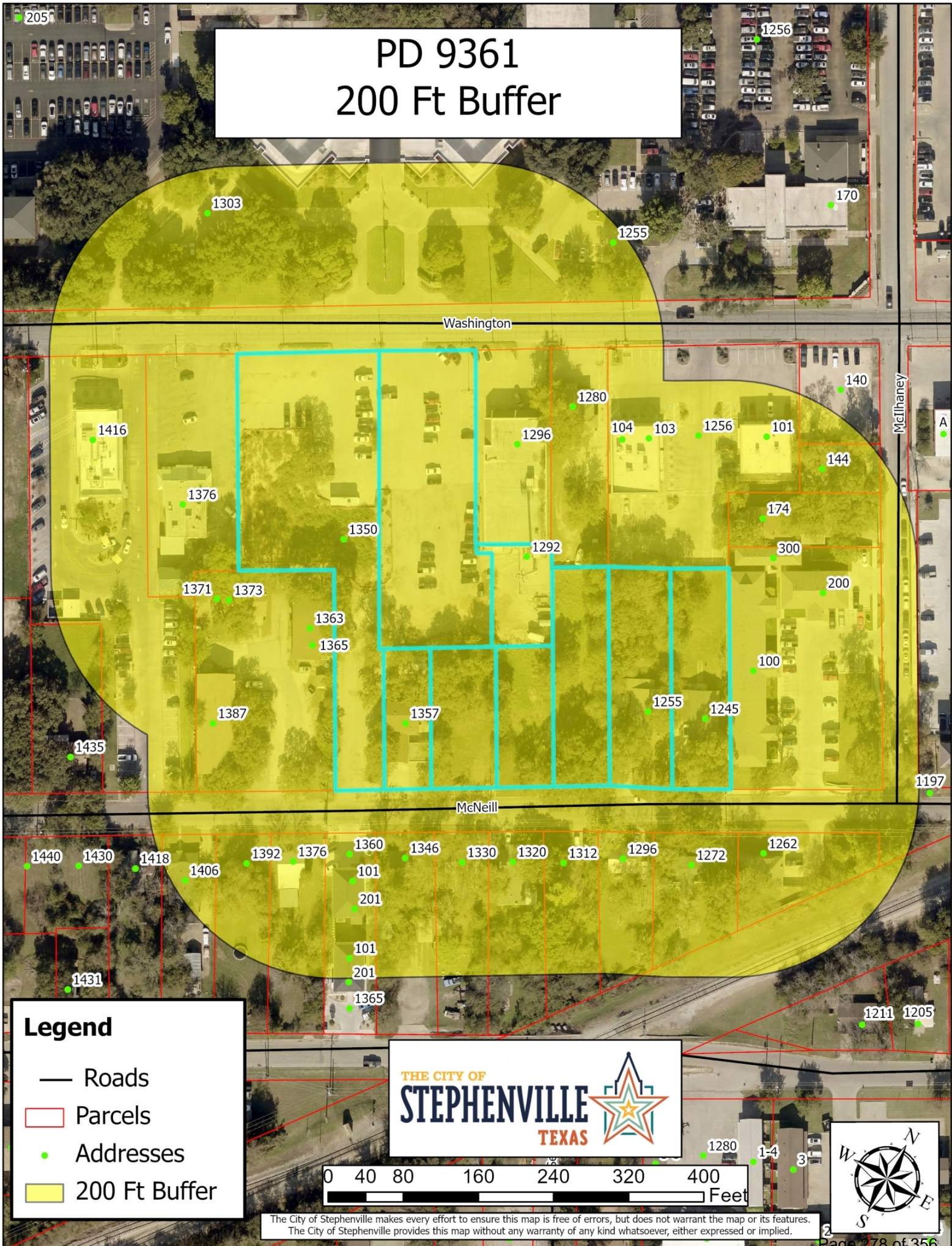
Engineering Standards Manual & Standard Construction Details:

<https://www.stephenvilletx.gov/437/Engineering>

Subdivision Ordinance:

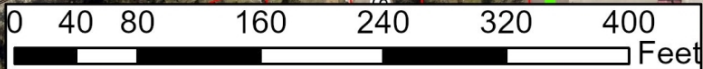
https://library.municode.com/tx/stephenville/codes/land_use_and_zoning?nodeId=TITXVLAUS_CH155SU

PD 9361 200 Ft Buffer



Legend

- Roads
- ▭ Parcels
- Addresses
- 200 Ft Buffer



The City of Stephenville makes every effort to ensure this map is free of errors, but does not warrant the map or its features. The City of Stephenville provides this map without any warranty of any kind whatsoever, either expressed or implied.

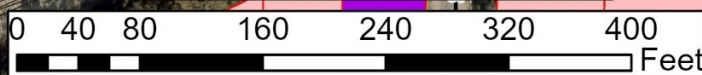
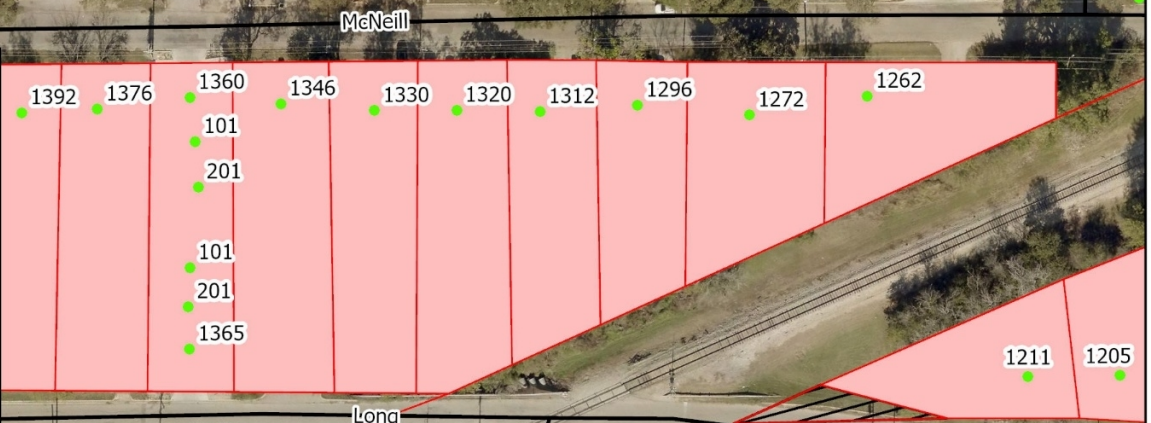
PD 9361

Current Zoning - PD & Multifamily



Legend

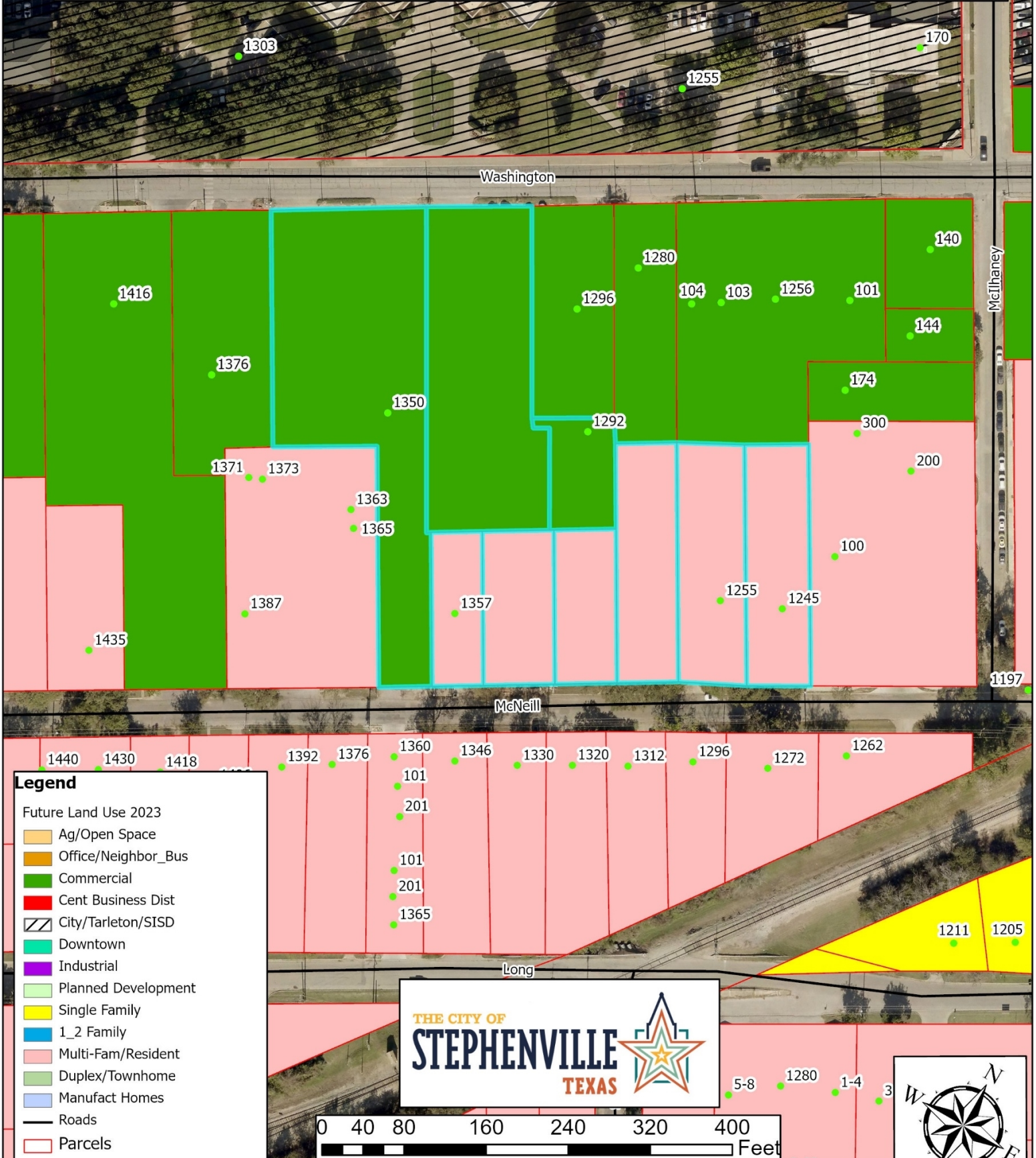
- Roads
- ▭ Parcels
- ZONING**
- ▭ Agricultural
- ▭ B-1 - Neighborhood Business
- ▭ B-2 - Retail and Commercial Business
- ▭ B-3 - Central Business
- ▭ B-4 - Private Club
- ▭ CTS - City, Tarleton, School
- ▭ DT - Downtown
- ▭ IND - Industrial
- ▭ PD - Planned Development
- ▭ R-1 - Single Family - 7,500
- ▭ R-1.5 - Single Family - 6,000
- ▭ R-2 - One and Two Family
- ▭ R-2.5 - Integrated Housing
- ▭ R-3 - Multiple Family
- ▭ RE - Single Family - 1 Acre
- Addresses



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PD 9361

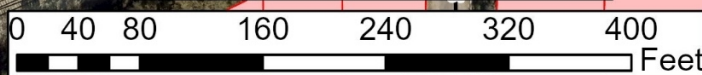
Future Land Use 2023 - Commercial & Multifamily



Legend

Future Land Use 2023

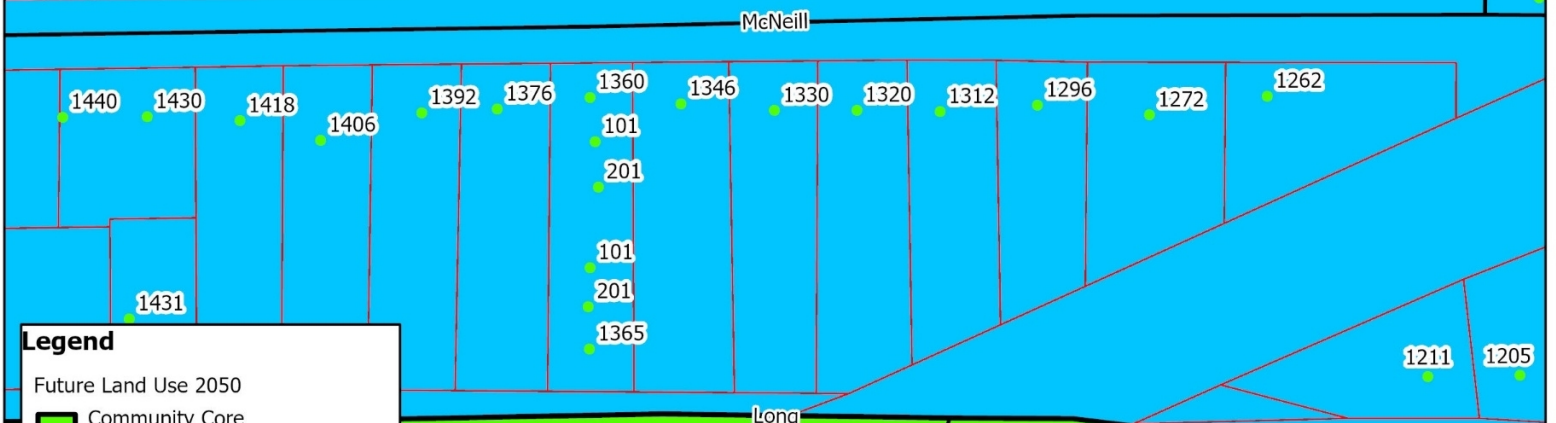
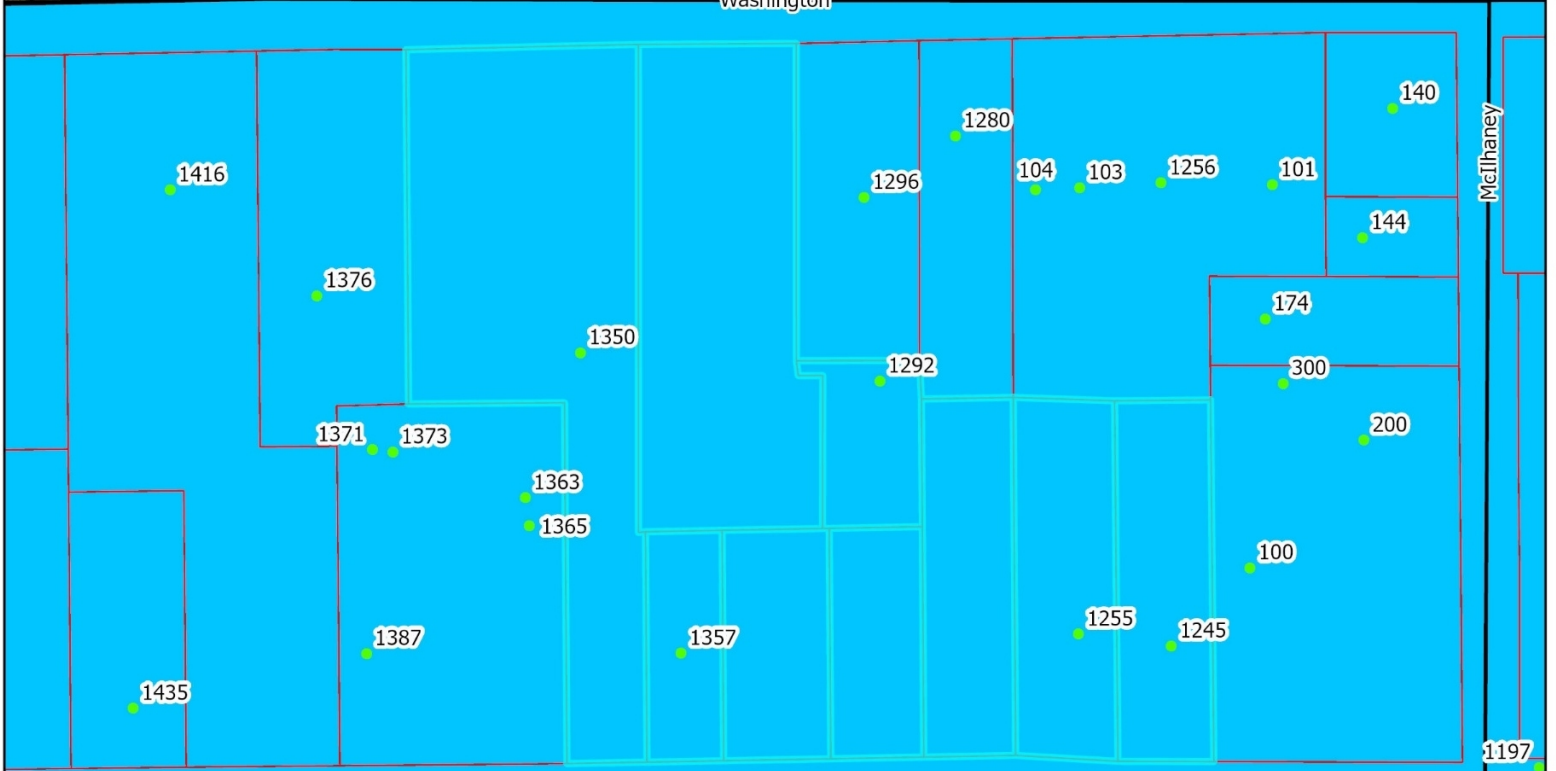
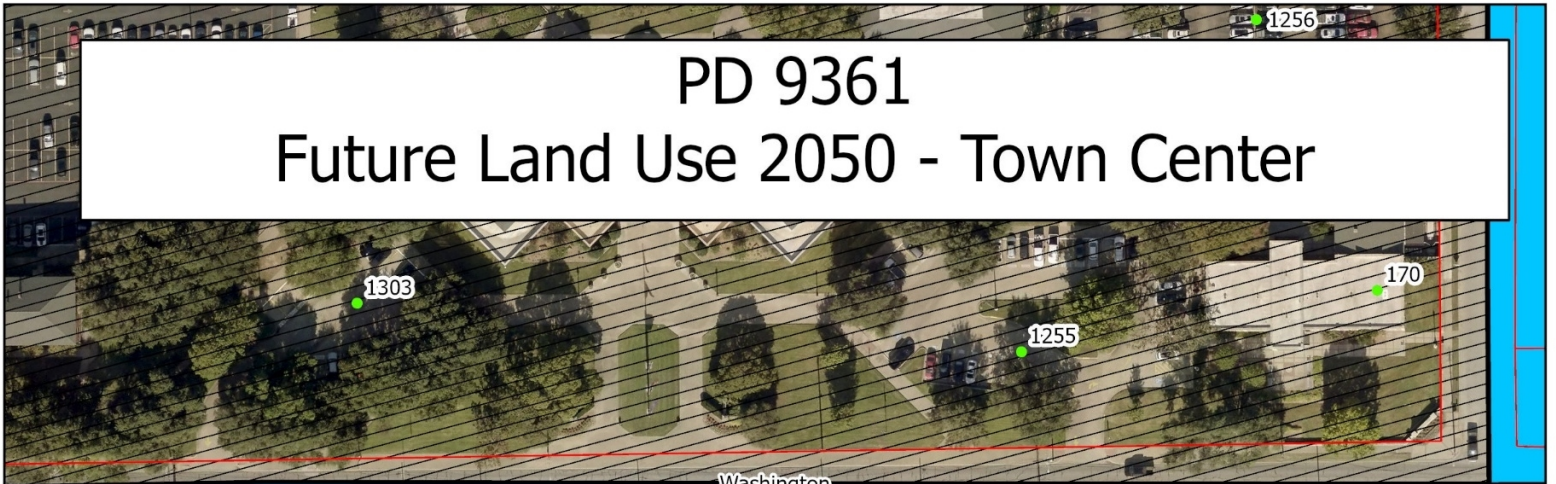
- Ag/Open Space
- Office/Neighbor_Bus
- Commercial
- Cent Business Dist
- City/Tarleton/SISD
- Downtown
- Industrial
- Planned Development
- Single Family
- 1_2 Family
- Multi-Fam/Resident
- Duplex/Townhome
- Manufact Homes
- Roads
- Parcels
- Addresses



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PD 9361

Future Land Use 2050 - Town Center



Legend

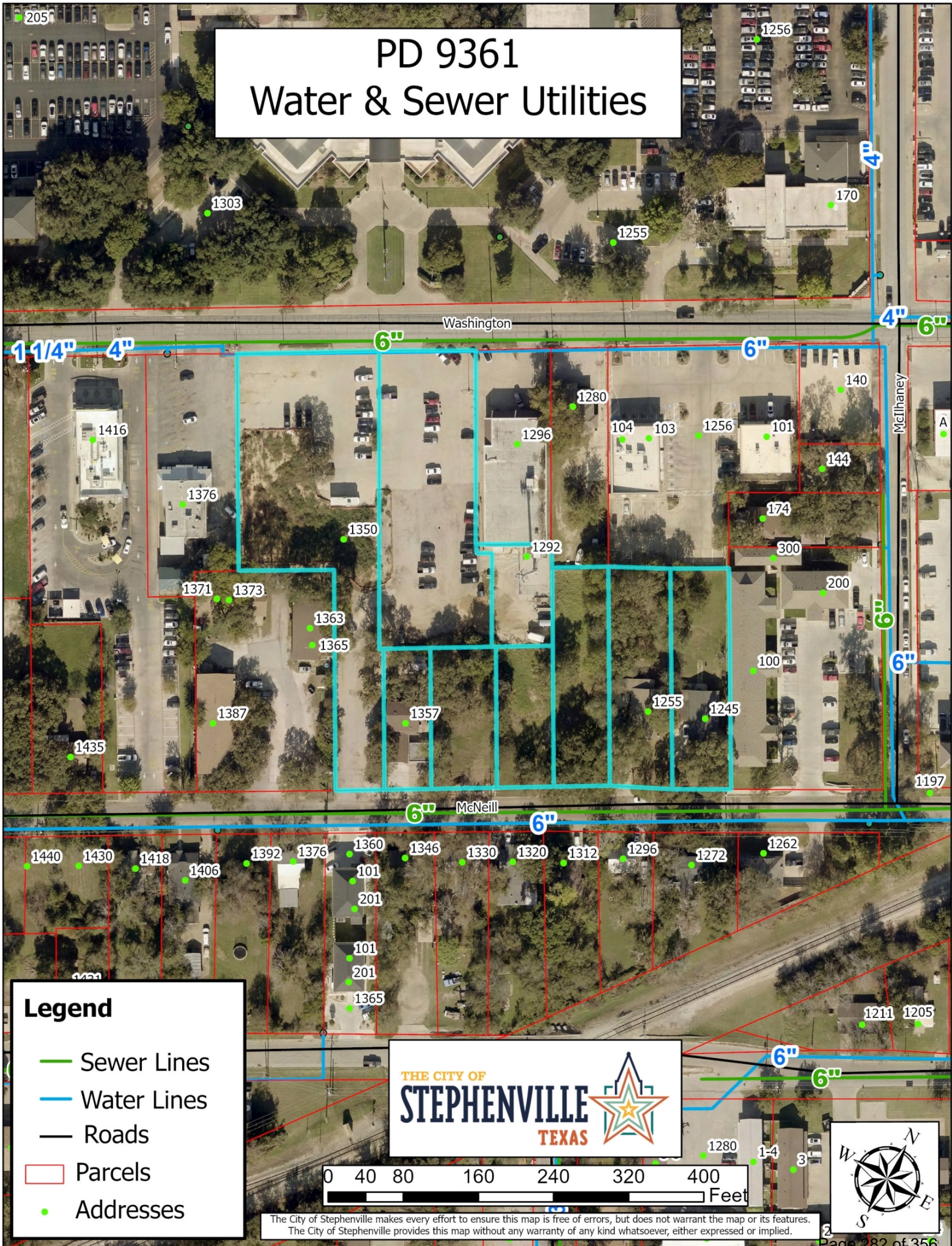
Future Land Use 2050

- Community Core
- Complete Neighborhood
- Open Space/Hazard
- Rural
- Special District
- Town Center Mixed Use
- Roads
- Parcels
- Addresses



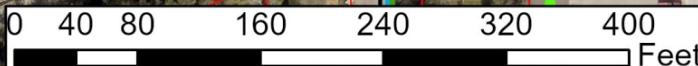
The City of Stephenville makes every effort to ensure this map is free of errors, but does not warrant the map or its features. The City of Stephenville provides this map without any warranty of any kind whatsoever, either expressed or implied.

PD 9361 Water & Sewer Utilities



Legend

- Sewer Lines
- Water Lines
- Roads
- Parcels
- Addresses



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Planned Dev. 9361

200 ft Buffer Addresses

| Parcel ID | Parcel Address | Parcel Owner | Owner Address | City | State | Zip Code |
|------------|--------------------------|--|-----------------------------|-----------------|-------|------------|
| R000030277 | 1256 W WASHINGTON | ACA DEVELOPMENT INC | 821 SW ALSBURY BLVD SUITE#G | BURLESON | TX | 76028 |
| R000033503 | 1312 MCNEILL | APRIL MARY LOUISE & THOMAS PATRICK APRIL | 366 SHELLY LN | STEPHENVILLE | TX | 76401-7577 |
| R000030267 | 1435 W MCNEILL | BALLOW MICHAEL T | 404 HERITAGE WAY | STEPHENVILLE | TX | 76401 |
| R000030252 | 1296 W WASHINGTON | BAREFOOT EQUITY PARTNERS LLC - SERIES 1296 WEST WA | 1461 HIGHLAND VIEW DR | STEPHENVILLE | TX | 76401 |
| R000030280 | 1255 MCNEILL | BAREFOOT EQUITY PARTNERS, LLC | 189 RETA ST | STEPHENVILLE | TX | 76401 |
| R000030278 | 1245 MCNEILL | BAREFOOT EQUITY PARTNERS, LLC | 189 RETA ST | STEPHENVILLE | TX | 76401 |
| R000030275 | 0 MCILHANEY | BOARD OF REGENTS OF THE TX A&M UNIVERSITY SYSTEM | 301 TARROW STREET 6TH FLOOR | COLLEGE STATION | TX | 77840-7896 |
| R000042782 | 0 W WASHINGTON | BOARD OF REGENTS OF THE TX A&M UNIVERSITY SYSTEM | 301 TARROW STREET 6TH FLOOR | COLLEGE STATION | TX | 77840-7896 |
| R000033505 | 1272 MCNEILL | BOUCHER JAMES L & ROSE M BOUCHER (LIFE ESTATE) | 550 S HARGIN DR #170 | STEPHENVILLE | TX | 76401 |
| R000033504 | 1296 MCNEILL | BOX R LLC | 3014 NERI RD | GRANBURY | TX | 76048 |
| R000030256 | 1376 W WASHINGTON | BROOKS EDWARD & SARA BROOKS | 6604 AUGUSTA | FORT WORTH | TX | 76132 |
| R000033500 | 1346 MCNEILL | DILLON KARI | 68260 NEOLA AVE | BRIDGEPORT | OH | 43912 |
| R000072313 | 1262 MCNEILL | ERATH CAPITAL INVESTMENTS LLC | 2699 CR223 | STEPHENVILLE | TX | 76401 |
| R000014966 | 0 N PADDOCK & VANDERBILT | FORT WORTH & WESTERN RAILROAD | 6300 RIDGLEA PLACE STE 1200 | FORT WORTH | TX | 76116-5738 |
| R000030261 | 290 MCILHANEY | G&H-RE ENTERPRISES LLC | 3053 CRESTWATER RIDGE | KELLER | TX | 76248 |
| R000030276 | 144 S MCILHANEY | HALE & HALE RENTALS, LLC | 150 HARBIN DR, SUITE 430 | STEPHENVILLE | TX | 76401 |
| R000030269 | 1357 MCNEILL | MARTINELLI CHRIS & DEANNE MARTINELLI | 5155 RANCHO LALOMA LINDA DR | PASO ROBLES | CA | 93446 |
| R000030257 | 1416 W WASHINGTON | MCDONALDS REAL ESTATE COMPANY | 110 N CARPENTER ST. | CHICAGO | IL | 60607 |
| R000033495 | 1418 MCNEILL | PATTON SHARON RUTH | 1418 W MCNEILL | STEPHENVILLE | TX | 76401 |
| R000033502 | 1320 W MCNEILL | POPE KELLY MICHELLE AND JONATHON DAVID WRIGHT | 1320 W MCNEIL | STEPHENVILLE | TX | 76401 |
| R000033499 | 1360 W MCNEILL | SEVENTY-EIGHT DEVELOPMENT LLC | 2208 KELLER BAY CT | FRIENDSWOOD | TX | 77546 |
| R000033498 | 1376 MCNEILL | SHAFFER ROBERT D | 5170 CR179 | STEPHENVILLE | TX | 76401 |
| R000033501 | 1330 MCNEILL | STARR STEPHANIE | 1330 W MCNEIL ST | STEPHENVILLE | TX | 76401 |
| R000030284 | 1136 W WASHINGTON | TARLETON DEVELOPMENT PARTNERS LLC | 7887 SAN FELIPE ST STE 237 | HOUSTON | TX | 77063 |
| R000030273 | 1280 W WASHINGTON | THURMAN JAMES | 1093 W SLOAN | STEPHENVILLE | TX | 76401 |
| R000030271 | 1345 MCNEILL | TSU CATHOLIC LLC | 201 MAIN ST SUITE 1198 | FORT WORTH | TX | 76102 |
| R000030270 | 1353 MCNEILL | TSU CATHOLIC LLC | 201 MAIN ST SUITE 1198 | FORT WORTH | TX | 76102 |
| R000030272 | 1303 MCNEILL | TSU CATHOLIC LLC | 201 MAIN ST SUITE 1198 | FORT WORTH | TX | 76102 |
| R000030249 | 1334 W WASHINGTON | TSU CATHOLIC LLC | 201 MAIN ST SUITE 1198 | FORT WORTH | TX | 76102 |
| R000030251 | 1350 W WASHINGTON | TSU CATHOLIC LLC | 201 MAIN ST SUITE 1198 | FORT WORTH | TX | 76102 |
| R000077944 | 1292 W WASHINGTON | TSU CATHOLIC LLC | 201 MAIN ST SUITE 1198 | FORT WORTH | TX | 76102 |
| R000030274 | 174 S MCILHANEY | VO BICH NGOC TRAN | 2270 W TARLETON ST | STEPHENVILLE | TX | 76401 |
| R000033496 | 1406 MCNEILL | WALDRON ROBERT CHARLES | 1406 W MCNEILL | STEPHENVILLE | TX | 76401-0000 |
| R000033497 | 1392 MCNEILL | WALDRON BOB & CARLA | 1406 W MCNEIL | STEPHENVILLE | TX | 76401 |
| R000030268 | 1361 W MCNEILL | WITHOUT A PADDLE INVESTMENTS LLC | 205 E FREY, SUITE 201 | STEPHENVILLE | TX | 76401 |

ORDINANCE NO. 2026-O-___

AN ORDINANCE UPDATING THE LAND DESCRIBED AS A PLANNED DEVELOPMENT (PD); APPROVING THE DEVELOPMENT SITE LAND PLAN, SCHEDULE AND RENDERINGS MORE PARTICULARLY DESCRIBED IN EXHIBIT "A".

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS, THAT:

SECTION 1.

All lots, tracts or parcels of land legally described as follows:

1292 W Washington, Parcel R77944, being BLK. 134; LOTS 12; 18; 30B; 31 (PTS OF),
1334 W Washington, Parcel R30249, being BLK 134; LOT 40, ATM MACHINE,
1350 W Washington, Parcel R30251, being BLK. 134; LOTS 1;5;28,
1245 McNeill, Parcel R30278, being BLK 134; LOT 38A,
1255 McNeill, Parcel 30280, being BLK 134; Lots 38,
1303 McNeill, Parcel R30272, being BLK. 134; LOT 32,
1345 McNeill, Parcel R30271, being BLK. 134; LOT 31 (S150),
1353 McNeil, Parcel R30270, being BLK. 134; LOT 30A and
1357 McNeill, Parcel 30269, being BLK 134; south 150 feet of LOT 29

of the CITY ADDITION to the City of Stephenville, Erath County, Texas.

are hereby designated as a Planned Development (PD) to include a Development Plan as presented at the City Council meeting on April 7, 2026, in accordance with the Zoning Ordinance of the City of Stephenville AND Amending the Comprehensive Plan and Map.

SECTION 2.

That the granting of this PLANNED DEVELOPMENT is subject to the following general and specific conditions:

- a. That the Planned Development and Development Schedule will be constructed in accordance with the Presentation Package "A", made a part hereof for all purposes;
- b. That the Developer will provide solid waste maintenance four times per week, at minimum, and;
- c. That the Developer is authorized to deviate from base zoning requirements Multifamily as provided below:

1. No retail space will be provided
2. Density not to exceed 57.8 units/ac
3. Must provide 540 parking spaces = 1.03 per bed
4. 64 shared parking spaces will be provided via a joint agreement to be executed upon closing
5. Communications Tower

- a. Height = 125'
 - b. Setbacks = 0
 - c. Chain Link Fencing
-
- 6. Project Front Setback = 0''
 - 7. Project Side setbacks = 10'
 - 8. Maximum building height of 62.5'
 - 9. Signage – Neon, LED and Side Building
 - 10. Landscape Plan to exceed coverage requirements
 No parking island landscaping provided
 - 11. Turn Radii as low as 21'

PASSED AND APPROVED this 7th day of April, 2026.

Lonn Reisman, Mayor

ATTEST:

Sarah Lockenour, City Secretary

Reviewed by Jason M. King,
City Manager

Randy Thomas, City Attorney
Approved as to form and legality

EXHIBIT A

The Rider
Application No...
PD2025-9361



Questions & Answers:

- **Does the site have retail?** The project does not have retail lease space within the proposed building. The project supports the existing local retail by upgrading the façade and parking for the adjacent property. There will be a shared parking agreement with Barefoot.
- **Height of buildings and garage?** The overall max height of the building is 62'-6" to the top of entry towers along Washington, but the top of parapet for most of the building is 57'-0" .
- **Are the beds strictly for college students?** The project will be marketed to students but will meet all applicable Fair Housing requirements.
- **Traffic congestion on McNeil with students pulling in and out of McNeil to enter/exit the garage.** To address P&Z concern, the garage has been located internal to the building and will be shielded from view. The garage entrance has been moved off McNeil to an internal drive lane to minimize traffic impact to neighbors.
- **Sidewalk location and lighting on McNeil for safety along McNeil.** The project plans for a 5'-0" sidewalk along the McNeil property line for the full width of the property and will provide site lighting to illuminate this sidewalk for safety.
- **Parking garage design and size of parking stalls for trucks?** The parking stalls are 9'-6" wide and 18 feet deep, per City of Stephenville standards. This is larger than a standard parking stall to better accommodate large vehicles.
- **Will the garage be accessed by a card and have a gate?** Yes, the parking garage will be gated.
- **Old plan vs. new.** The previous plan was 3 stories and 51'-5" tall with 13,000 sf of retail and 66 residents. This proposed plan is 5 stories and 57'-0" to top of parapet. The garage is 52'-6" to the top level.
- **Rainwater plan for drainage?** The development will meet the drainage engineering criteria and plans to have a small detention pond in the southeast corner of the site.
- **McNeil street parking, hard to drive down McNeil as it is.** This project does not propose any street parking and would welcome no parking signs on the north side of the street to allow for better access for the neighboring properties. The garage entrance has been moved off McNeil to an internal drive lane to minimize traffic impact along McNeil.
- **Cell tower height to remain at 125'.** No change.
- **Date to commence construction?** Summer 2026
- **Date of Completion?** Summer 2028

Development Team



Ryan Dodson
Co-Founder
Street Realty



Alex Bryant
Co-Founder
Street Realty



Dustin Vardeman
VP Planning &
Construction



Reagan Thompson
Founder
Reload Capital

Street Realty

- Street Realty is a full-service commercial real estate firm based in Fort Worth, Texas, founded by Ryan Dodson and Alex Bryant, who collectively bring more than 80 years of commercial real estate experience. The firm is an active developer, broker, and property manager of commercial real estate throughout Texas and was rebranded in 2023 after operating for more than 20 years as Dodson CRE.
- The firm currently has more than \$250 million in real estate assets under management and development and has completed 54 projects spanning infill mixed-use, purpose-built student housing, retail, office, light industrial, and self-storage.
- Street Realty brings extensive multi-asset-class expertise with in-house capabilities across acquisition, development, construction management, financing, accounting and reporting, property management, and leasing.

Reload Capital

- Reload is a Texas-based real estate development firm headquartered in Stephenville, Texas. Founded by Reagan Thompson, the firm focuses on strategic development, organizational leadership, and business growth. Reload Capital most recently completed the redevelopment of the historic Long Hotel (1938) in downtown Stephenville.
- The firm has led pre-development efforts for the Project, including land assembly, demolition and environmental abatement coordination, and stakeholder engagement with the City of Stephenville and adjacent property owners, resulting in approval of the initial entitlements. Going forward, Reload Capital will serve as the Project's local ambassador, working closely with city planning staff and community stakeholders to support a transparent and well-coordinated entitlement and development process.

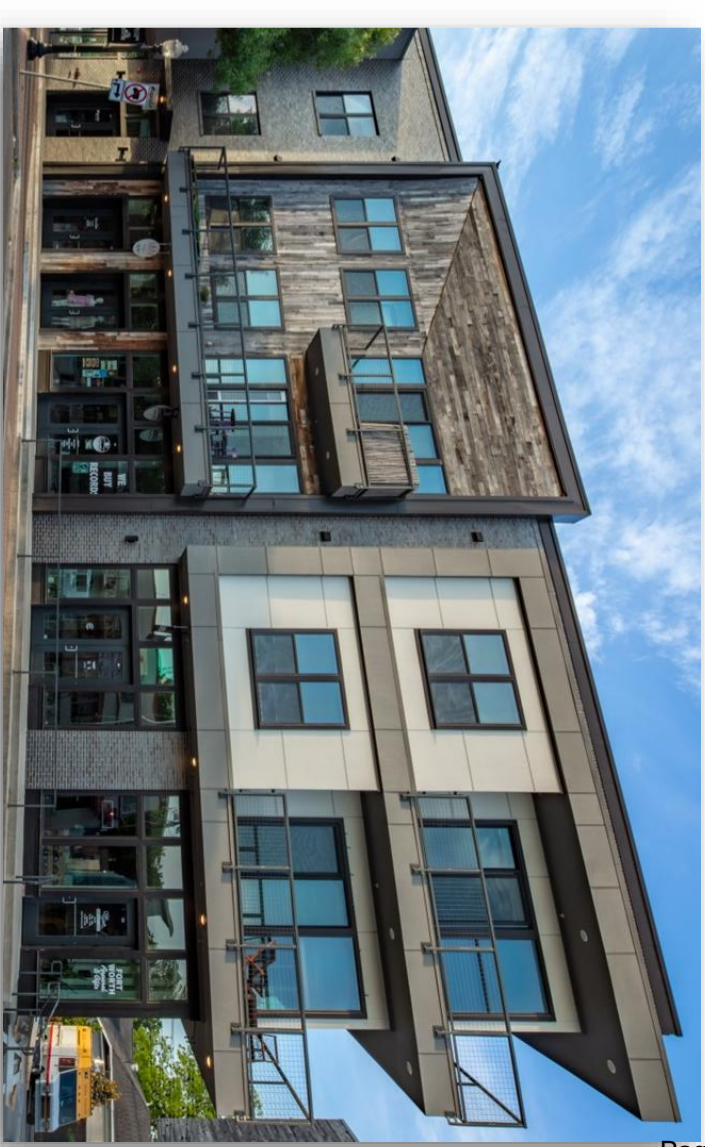
STREET REALTY & RELOAD CAPITAL



404 Border, Arlington, TX - 135 Units
Urban Student Housing (UTA) Developed 2016



The Rosedale, Fort Worth, TX - 100 Beds
On-Campus Student Housing (TWU) Developed 2021



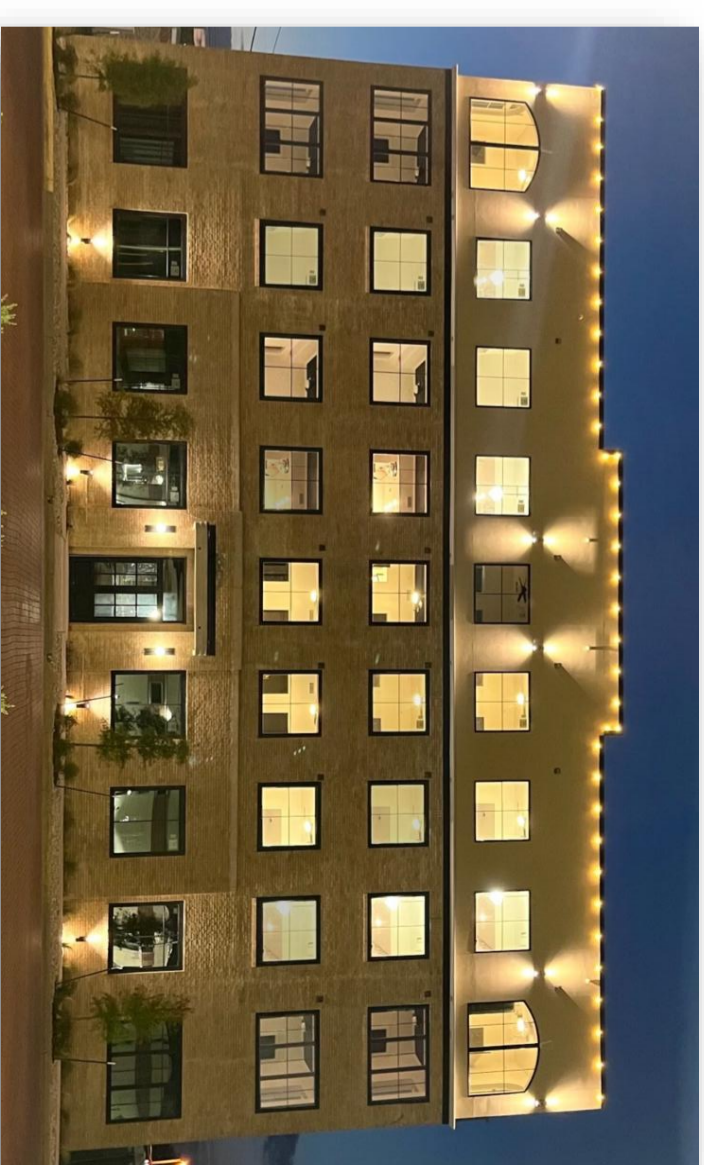
Magnolia Avenue, Fort Worth, TX - Mixed-Use
18,000 SF Retail/Condos Developed 2018



THE 701, Fort Worth, TX - 70,000 SF
Urban Mixed-Use Developed 2021



West Loop Business Park. White Settlement TX
142,000 SF Business Park Developed 2025



The Wyatt. Stephenville, TX
Mixed-use Historic Redevelopment 2024

Representative Projects



STEPHENVILLE 2050

HONORING OUR LEGACY, EMBRACING OUR FUTURE

May 2024

“Relieve pressure in neighborhoods by adding purpose-built student housing close to campus.”

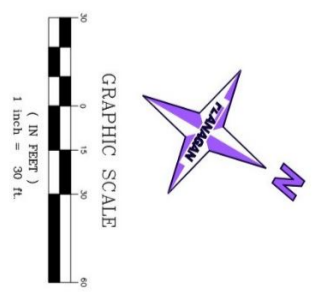
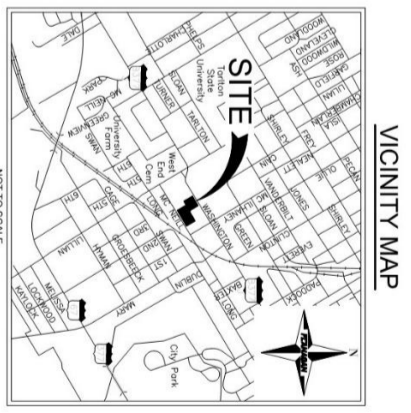
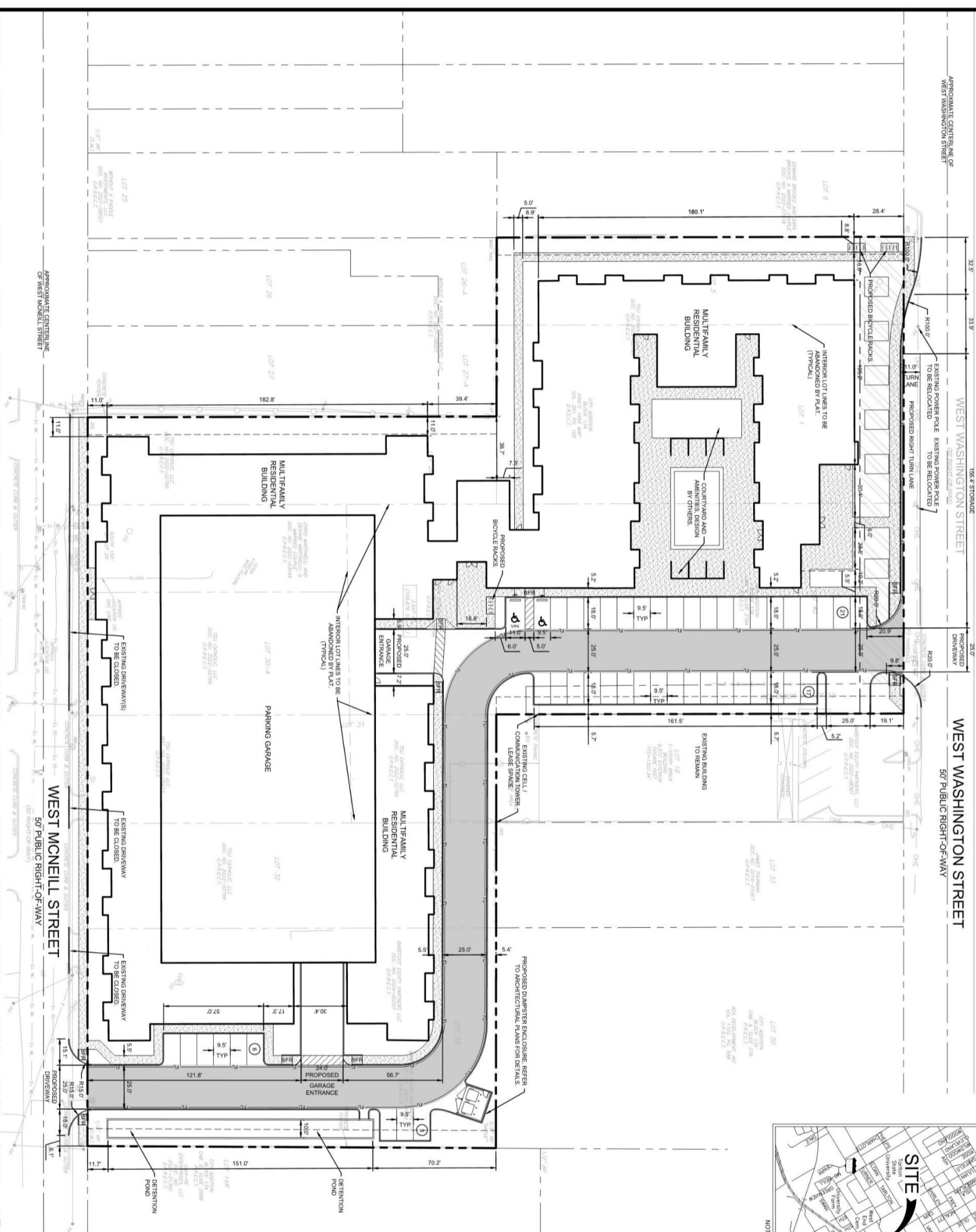
Land Use Policy Statement

“This housing will add value and catalyze these mixed-use centers with dense walkable development while relieving pressure to accommodate students in existing neighborhoods.”

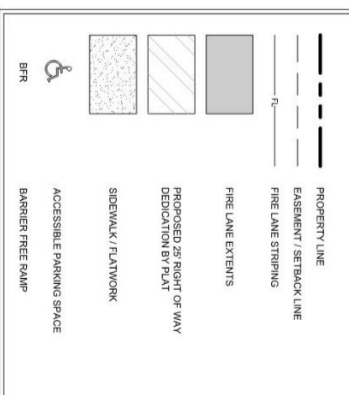
Excerpt from the Executive Summary

Site Plan

File: F:\2022-89 VLK Architecture\2022-89-15 The Rider\Civil\Plan Sheets\C-2.1 Site Plan.dwg || Date Plotted: 3/10/2026 5:03 PM || Plotted By: Rick



LEGEND



NOTES

1. ALL DIMENSIONS ARE TO FACE OF CURB UNLESS NOTED OTHERWISE.
2. REFER TO ARCHITECTURAL PLANS FOR EXACT BUILDING DIMENSIONS. BUILDING DIMENSIONS SHOWN ON THIS PLAN ARE FOR REFERENCE ONLY.
3. CONTRACTOR SHALL REFERENCE GENERAL NOTES SHEET FOR ADDITIONAL PROJECT INFORMATION APPLICABLE TO THIS SHEET.
4. ALL SIDEWALKS TO BE CONSTRUCTED WITH A MAXIMUM CROSS SLOPE OF 2.0%.

PRELIMINARY SITE PLAN - 5 STORY

TOTAL GROSS FLOOR AREA: 271,274 sq ft (80% EFFICIENCY)
TOTAL LEASABLE - RESIDENTIAL: 216,620 sq ft
NUMBER OF STOREYS: 5 STOREYS (TYPE 3B)

208 TOTAL UNITS - 524 BEDS

- 28 - STUDIO UNITS @ 460 SF
- 46 - 1-BEDROOM UNITS @ 570 SF
- 43 - 2-BEDROOM UNITS @ 750 SF
- 91 - 4-BEDROOM UNITS @ 1,450 SF

587 OFF-STREET PARKING SPACES PROVIDED W/ 540 GATED GARAGE PARKING + 47 UNGATED SURFACE (627 SF PER STALL) **TOTAL GARAGE AREA:** 176,888 SF (627 SF PER STALL)

"EXHIBIT C"

BENCHMARKS

BM #1 IN THE CONCRETE SIDEWALK ALONG THE SOUTHEAST CORNER OF WEST WASHINGTON STREET
 N 89°56'18" E 2037096.60 ELEV +1324.44'

BM #2 IN THE CONCRETE SIDEWALK ALONG THE SOUTHEAST CORNER OF WEST MCNEILL STREET
 N 89°56'00" E 2037241.09 ELEV +1317.29'

THE RIDER
 1334 WEST WASHINGTON STREET
 STEPHENVILLE, TEXAS

ZONING SITE PLAN

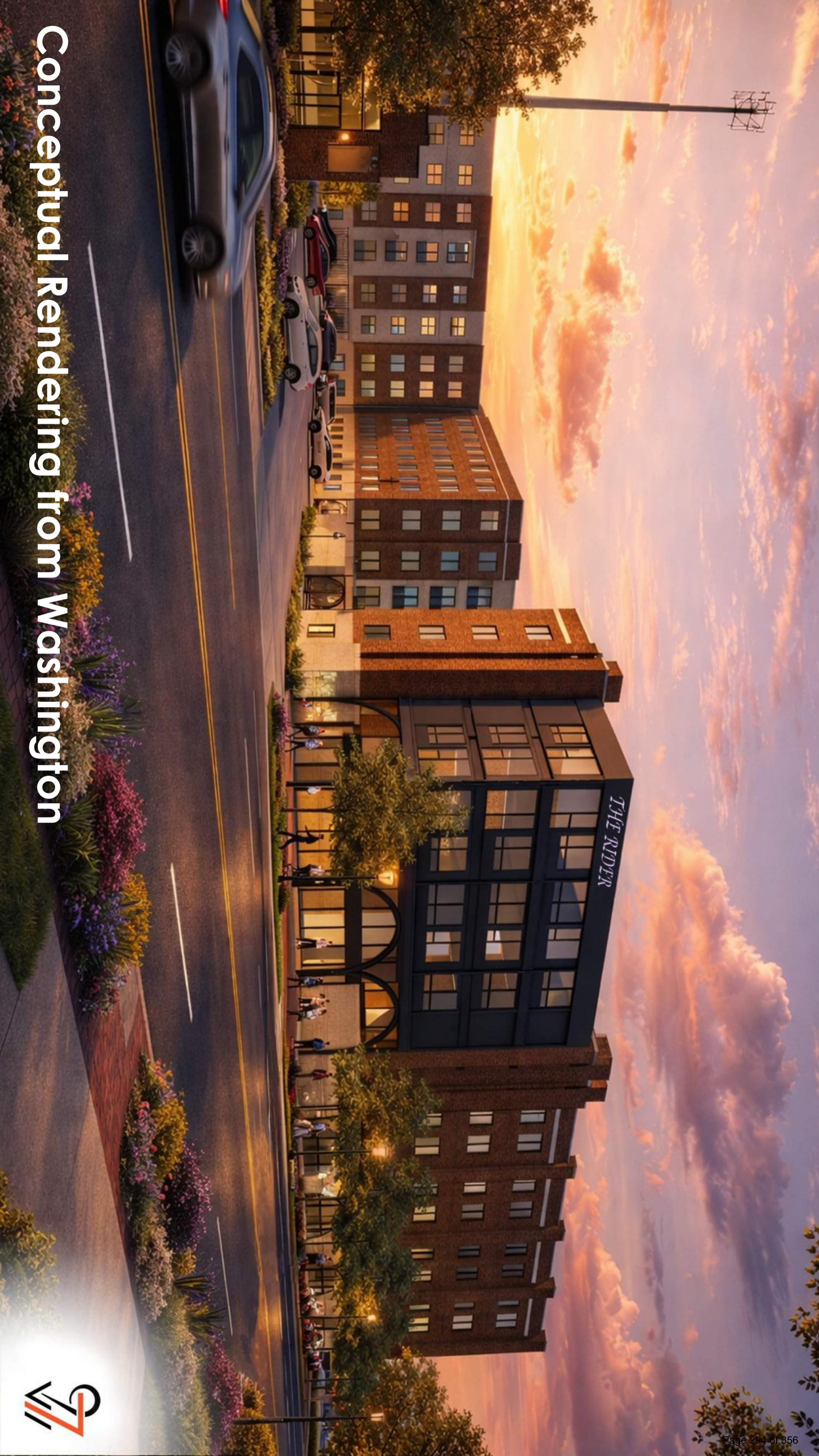
Fort Worth, Texas | P: 817.704.0480 | flanagan-is.com | TBPE Firm No. 22910
 Contact: Reece Flanagan, P.E.

| No. | Date | Revision Description |
|-----|------|----------------------|
| | | |

PROJECT NO.: 2022-57-01

THIS SHEET IS INTEGRAL TO THE DESIGN DOCUMENTS AND SHALL NOT BE SEPARATED FROM THE PLAN SET.

THIS SHEET IS INTEGRAL TO THE DESIGN DOCUMENTS AND SHALL NOT BE SEPARATED FROM THE PLAN SET.



Conceptual Rendering from Washington





128'-0"
T.O. CELL TOWER

62'-6"
T.O. PARAPET

52'-6"
T.O. ROOF DECK

42'-0"
5TH FLOOR

31'-6"
4TH FLOOR

21'-0"
3RD FLOOR

10'-6"
2ND FLOOR

0'-0"
FINISH FLOOR

North Elevation



128'-0"
T.O. CELL TOWER

62'-6"
T.O. PARAPET

52'-6"
T.O. ROOF DECK

42'-0"
5TH FLOOR

31'-6"
4TH FLOOR

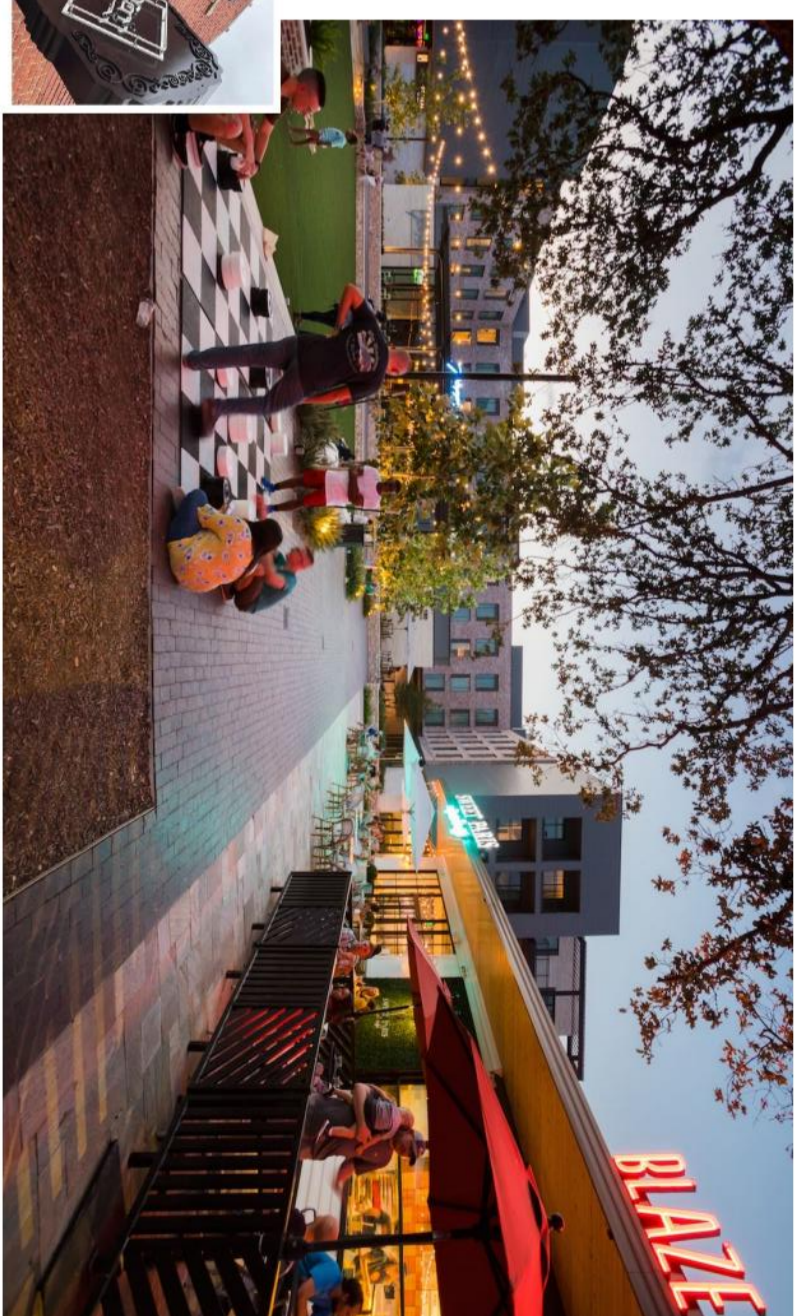
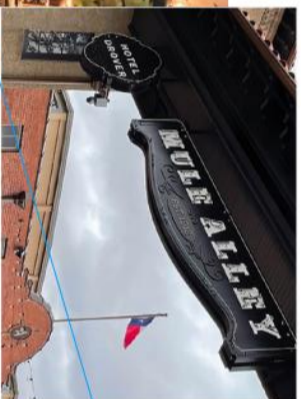
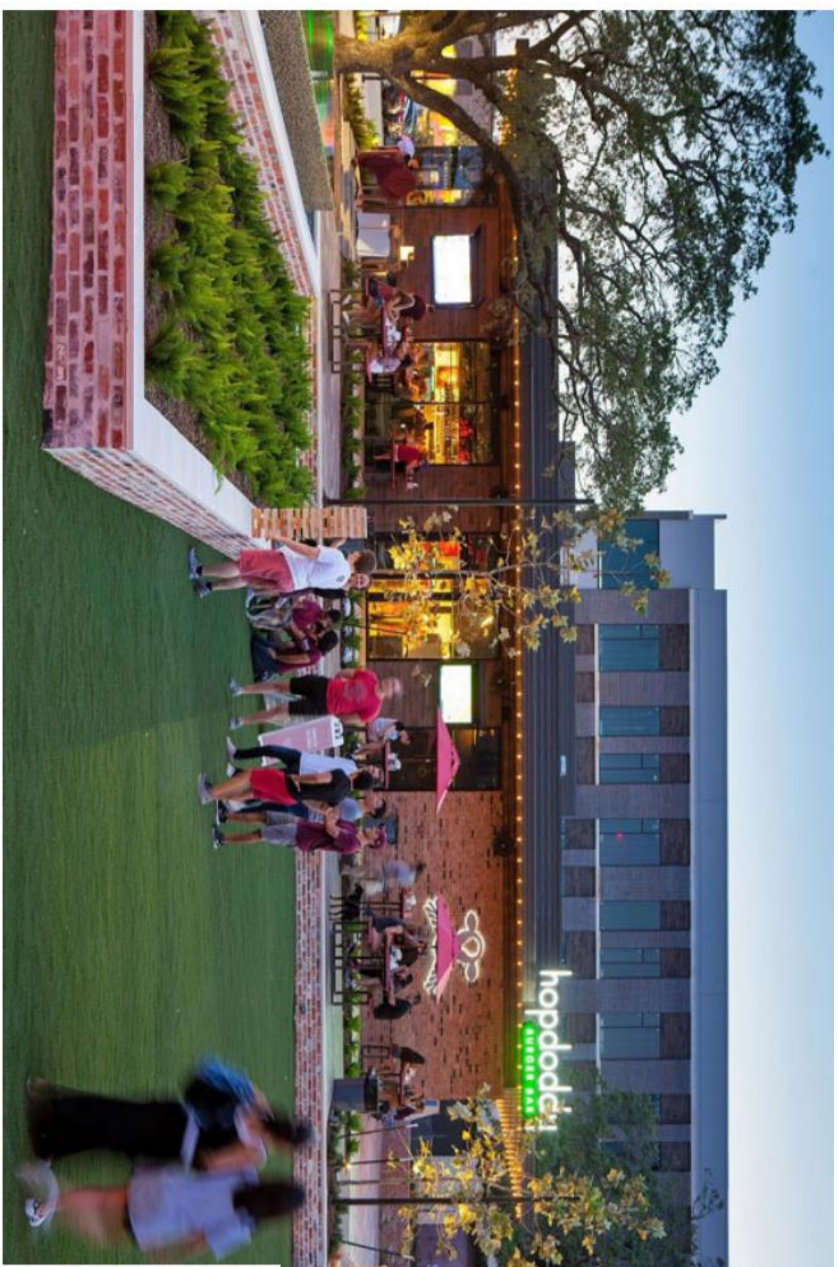
21'-0"
3RD FLOOR

10'-6"
2ND FLOOR

0'-0"
FINISH FLOOR

South Elevation

SIGNAGE & GREENSPACE INSPIRATION







The Rider

DISCUSSION

ORDINANCE NO. 2023-O-09

AN ORDINANCE REZONING THE LAND DESCRIBED NEIGHBORHOOD BUSINESS (B-1), RETAIL AND COMMERCIAL (B-2) TO PLANNED DEVELOPMENT (PD)

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS, THAT:

All that lot, tract or parcel of land legally described as follows:

Being Block 134; Lots 12;18;30B;31 (PTS OF) of the City Addition to the City of Stephenville, Erath County, Texas, and identified as Parcel No. R77944, in the Erath County Appraisal District Records, located at 1292 W Washington

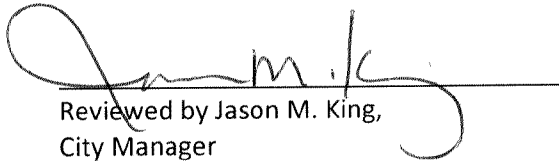

Is hereby rezoned and the zoning classification changed from the classification of Neighborhood Business (B-1) and Retail and Commercial (B-2) to Planned Development (PD), in accordance with the Zoning Ordinance of the City of Stephenville.

PASSED AND APPROVED this the 2nd day of May 2023.



Doug Svien, Mayor

ATTEST:


Sarah Lockenour, City Secretary
Reviewed by Jason M. King,
City Manager
Randy Thomas, City Attorney
Approved as to form and legality

ORDINANCE NO. 2026-O-xx

AN ORDINANCE REPEALING ORDINANCE NO. 2023-O-09 REZONING THE LAND DESCRIBED FROM NEIGHBORHOOD BUSINESS (B-1), RETAIL AND COMMERCIAL (B-2) TO PLANNED DEVELOPMENT (PD).

WHEREAS the City Council approved Ordinance No. 2023-O-09 May 2, 2023, rezoning land legally described as follows:

Being Block 134; Lots 12;18;30B;31 (PTS OF) of the City Addition to the City of Stephenville, Erath County, Texas, and identified as Parcel No. R77944, in the Erath County Appraisal District Records, located at 1292 W Washington

from Neighborhood Business (B-1), Retail and Commercial (B-2) to Planned Development (PD); and

WHEREAS the City desires to repeal the rezoning ordinance entirely.

NOW, THEREFORE, be it ordained by the City Council of the City of Stephenville, Texas:

Ordinance No. 2023.O-09 is hereby repealed from the CODE OF ORDINANCES for the City of Stephenville, Texas.

PASSED AND APPROVED this the 7th day of April 2026.

Lonn Reisman, Mayor

ATTEST:

Sarah Lockenour, City Secretary

Jason King, City Manager
Reviewed

Randy Thomas, City Attorney
Approved as to form and legality

STAFF REPORT

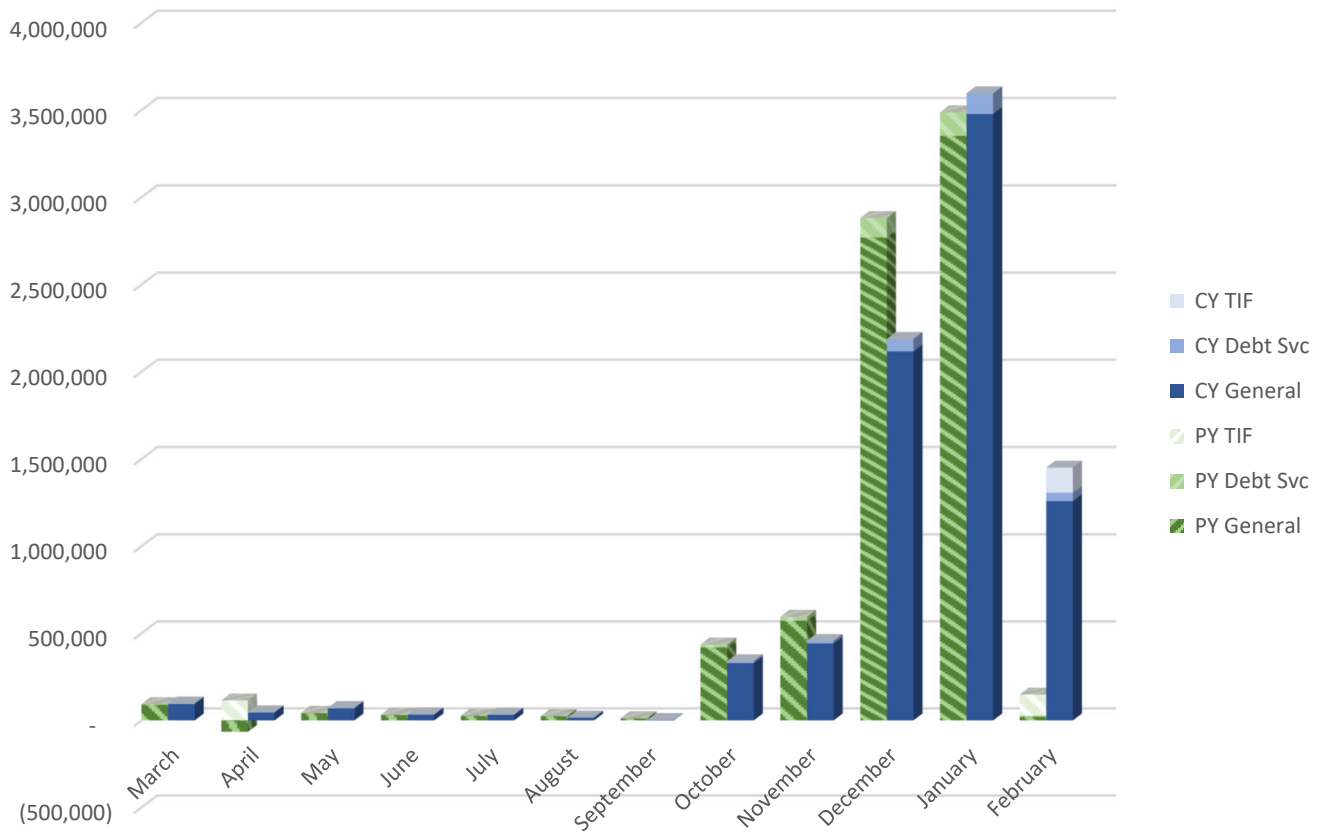


SUBJECT: Monthly Budget Report for the Period Ending February 28, 2026
DEPARTMENT: Finance
STAFF CONTACT: Monica Harris

BACKGROUND:

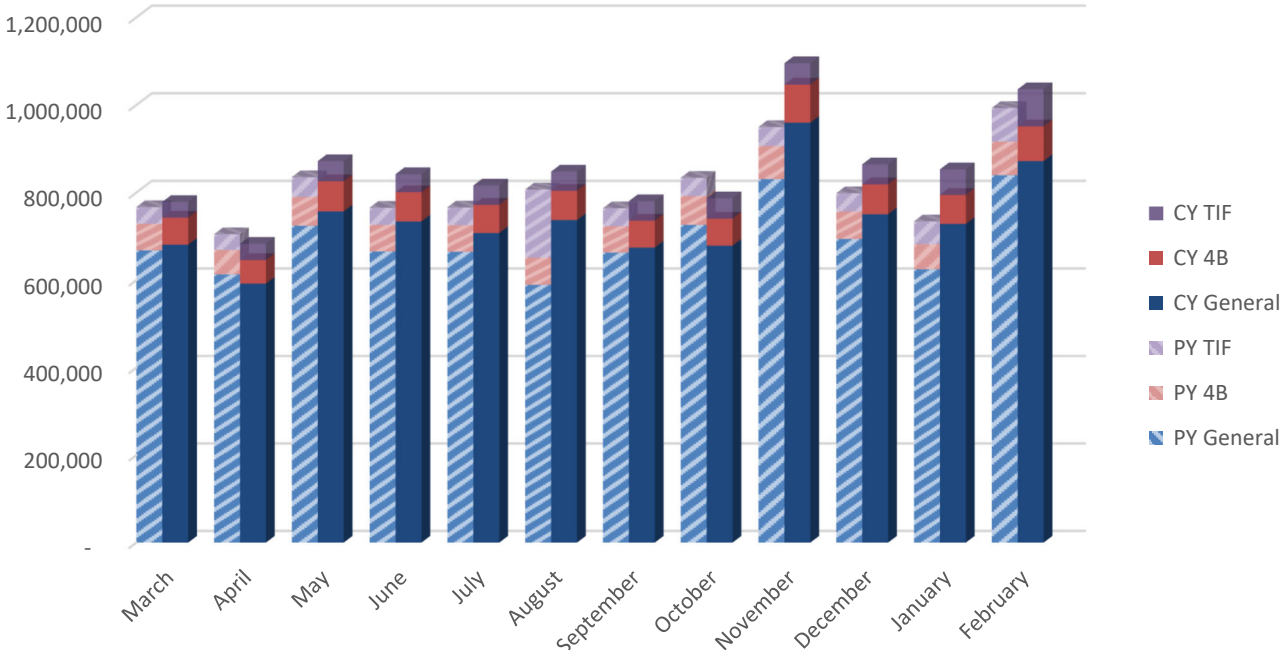
In reviewing the financial statements ending February 28, 2026, the financial indicators are overall as or better than anticipated.

Property Tax Collections
 2 year 12 month rolling comparison

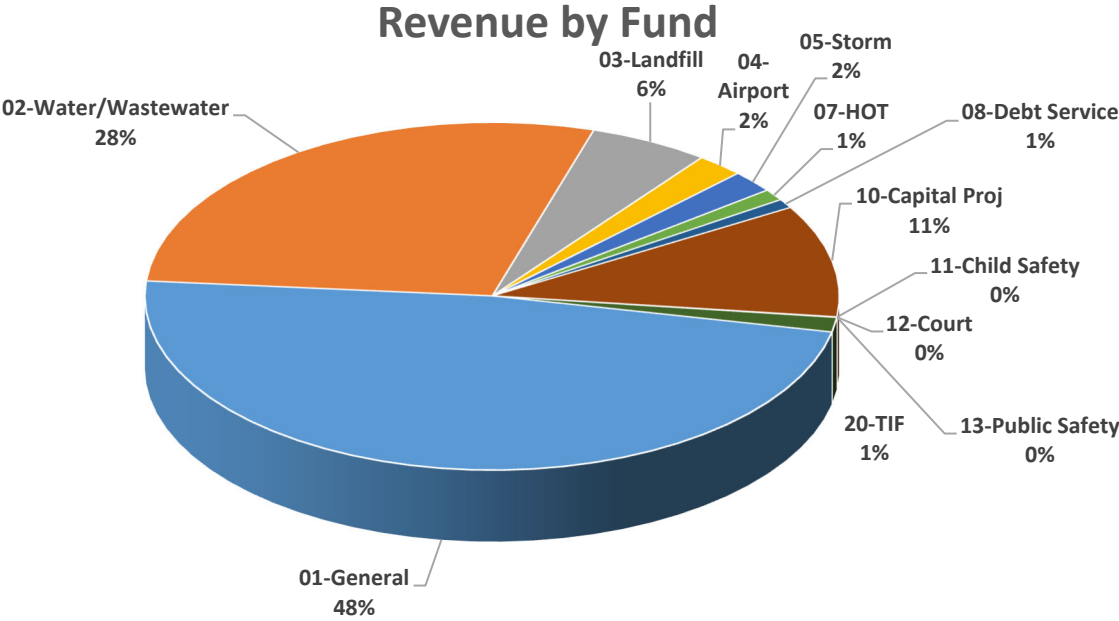


We received \$1.4 million in property taxes in the month of February, resulting in a \$484K increase in the funds collected last fiscal year to date. The amount collected is 96% of the \$8.3 million budget, which is \$15k more than anticipated.

Sales and Use Tax 2 year 12 month rolling comparison

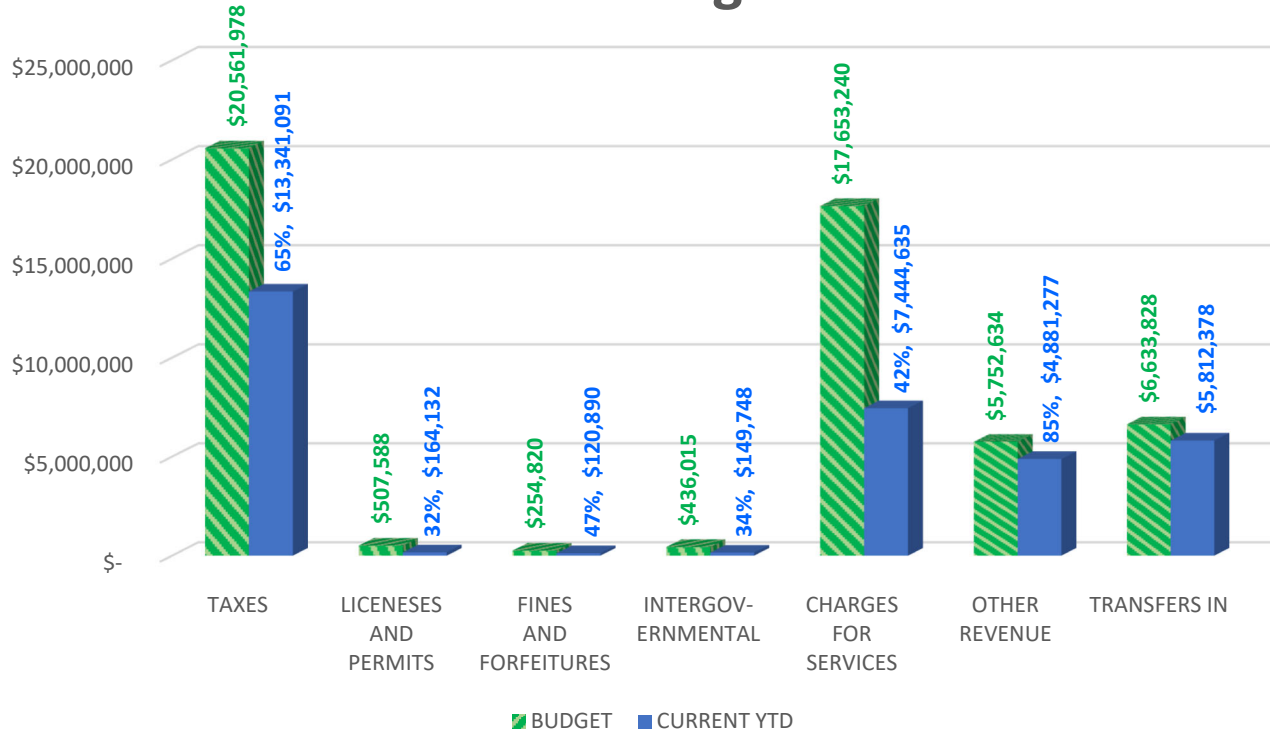


We received \$1 million in sales tax in February, resulting in \$326K or 7.6% more than the funds collected last fiscal year to date. The amount collected is 48% of the \$9.6 million budget, which is \$349K more than anticipated.



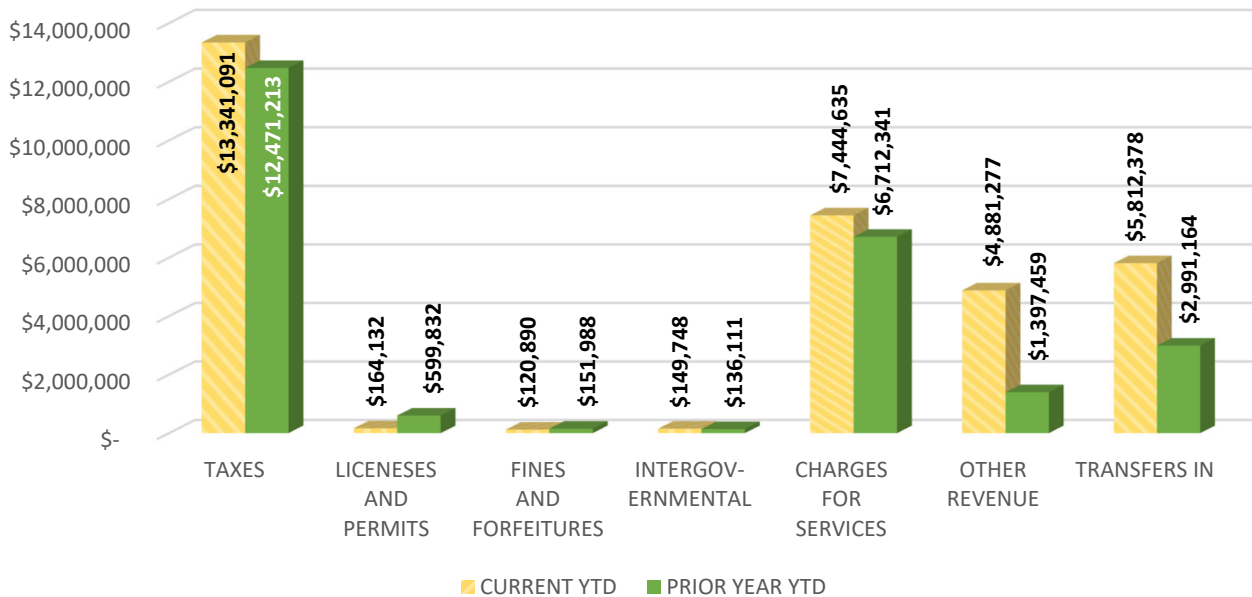
Of the \$32 million revenue received to date, 48% was received in the General Fund, 28% was received in the Water/Wastewater Fund, 11% was received in the Capital Projects Fund, 6% was received in the Landfill Fund, 2% was received in the Storm Water Drainage Fund, and 2% was received in the Airport Fund. The remaining funds received 1% or less.

Revenue - Budget vs Actual

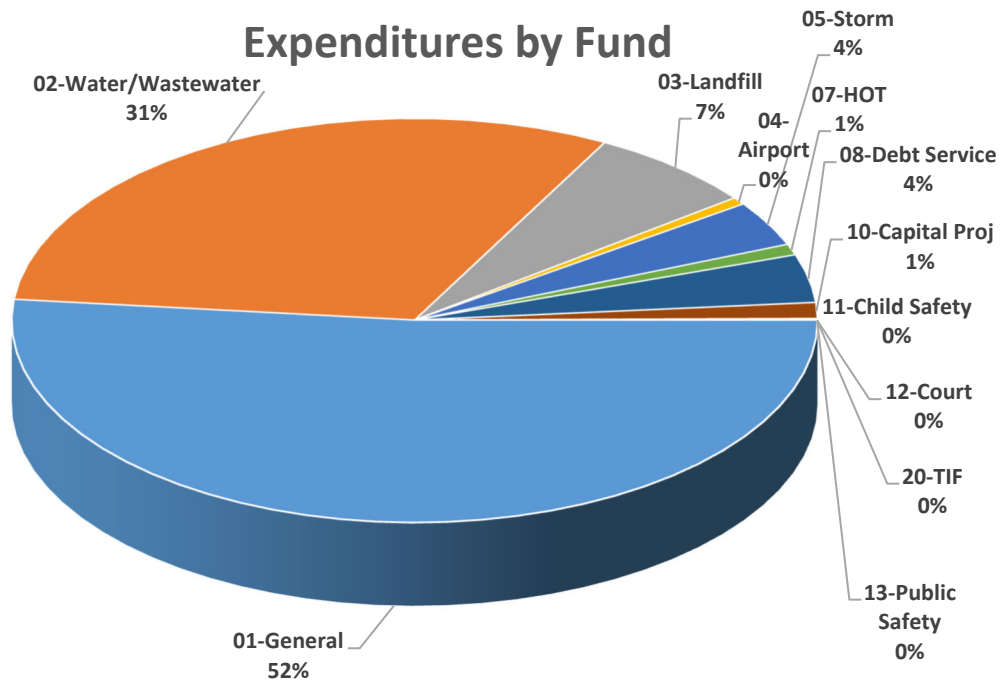


We received 62% of the total budgeted revenue through February, which is \$802k more than anticipated due to property taxes and charges for services.

Revenue - Prior Year Comparison

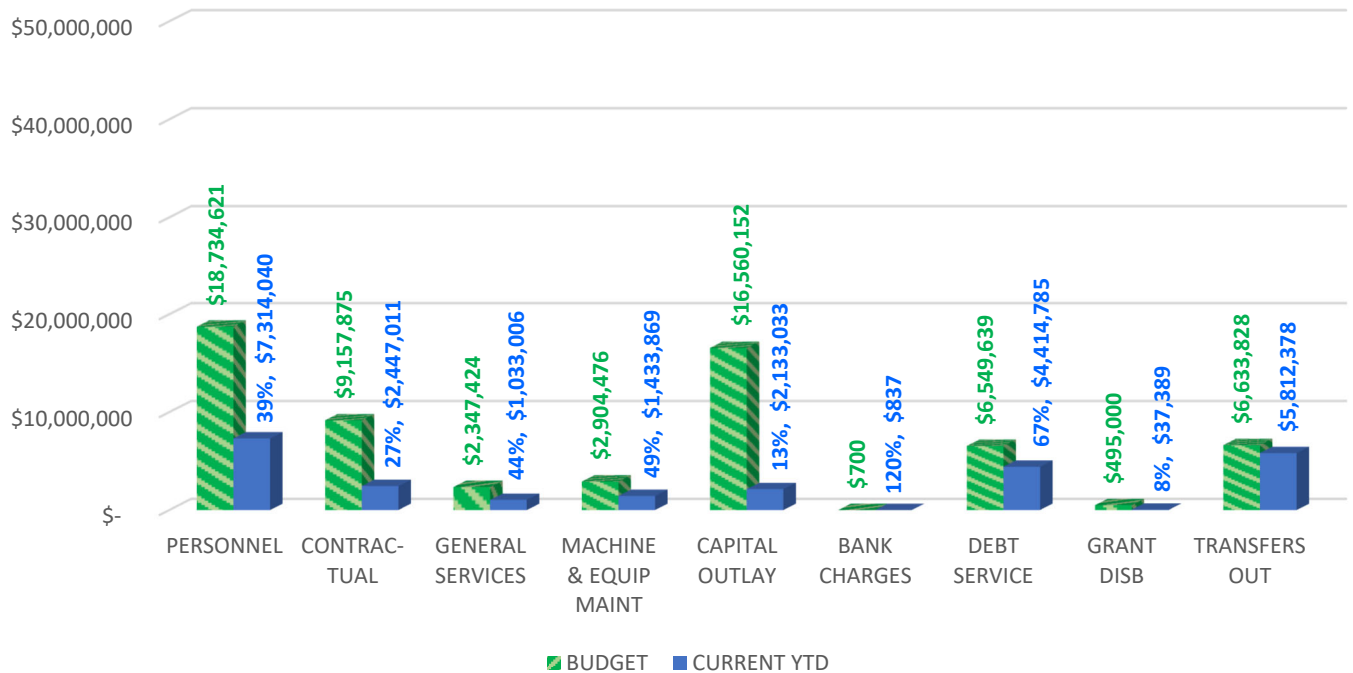


We received \$7.5 million more revenue through February than last fiscal year to date due to property taxes, charges for services, debt proceeds, and interfund transfers.



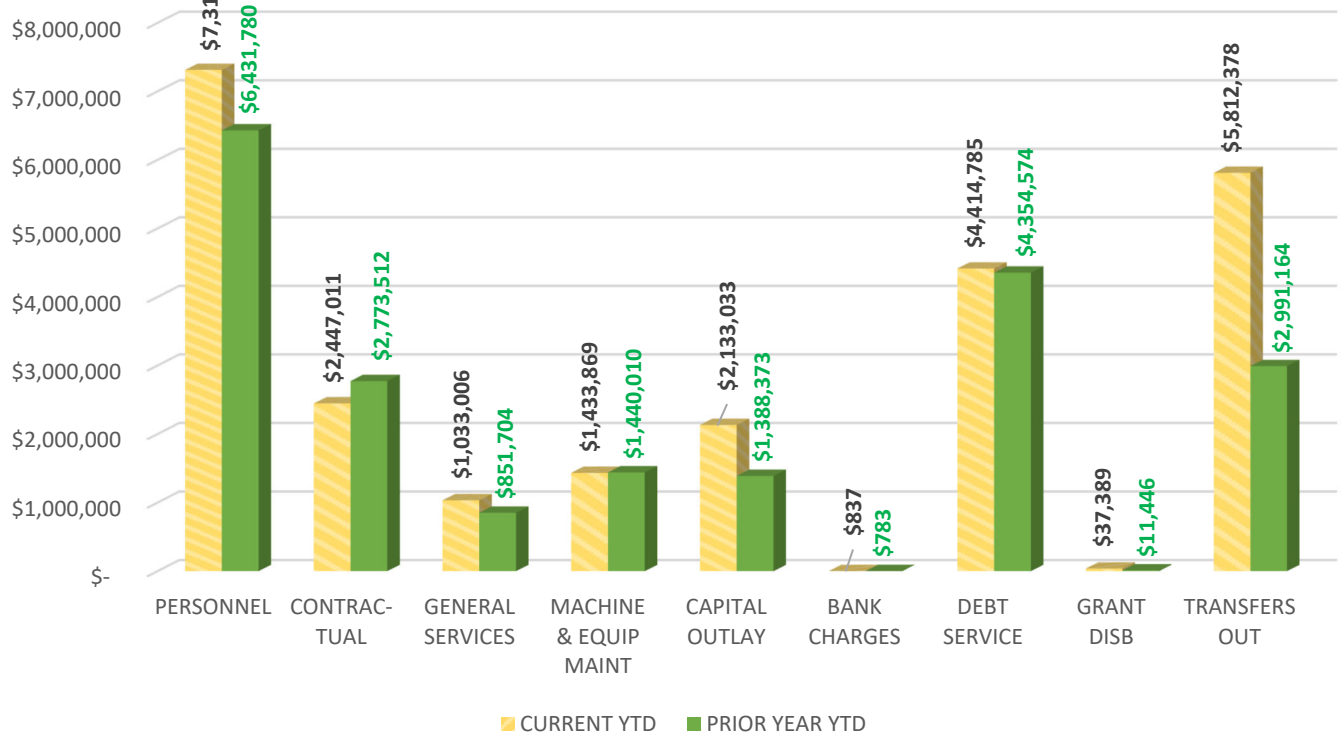
Of the \$24.6 million spent to date, 52% was expended in the General Fund, 31% was expended in the Water/Wastewater Fund, 7% was expended in the Landfill Fund, 4% was expended in the Stormwater Drainage Fund, and 4% was expended in the Debt Service Fund. The remaining funds spent 1% or less of the expenditures.

Expenditures - Budget vs Actual



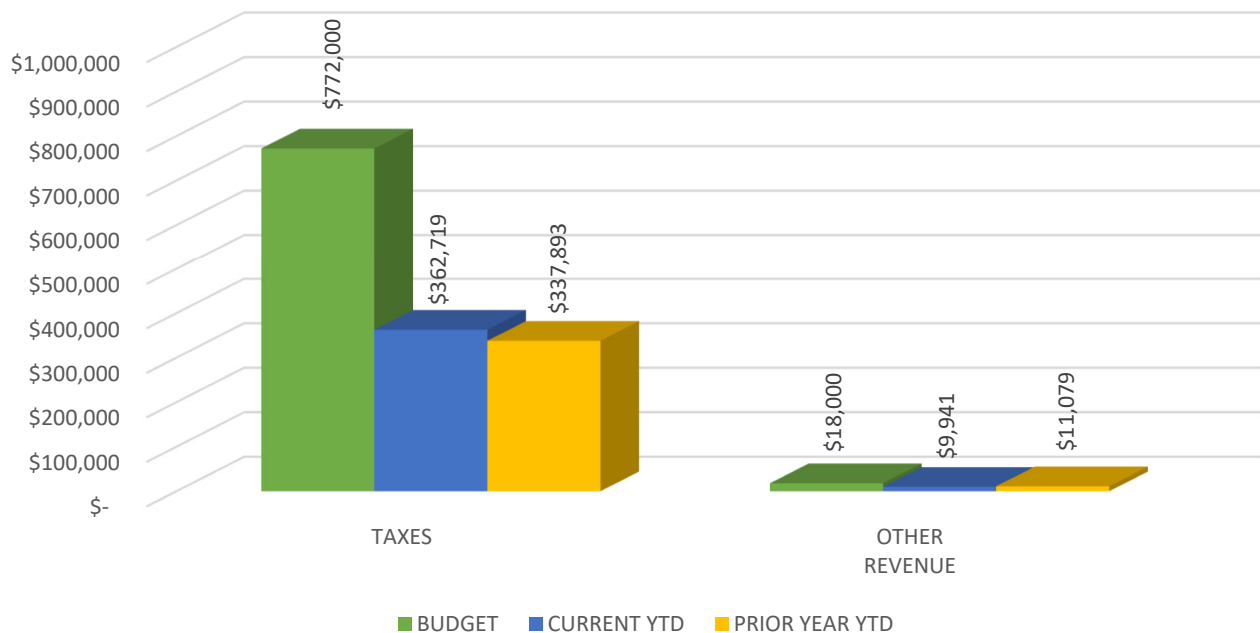
We have expended 39% of the total budgeted expenditures through February, which is \$9.6 million less than anticipated due to personnel, contractual, capital outlay, and interfund transfers.

Expenditures - Prior Year Comparison



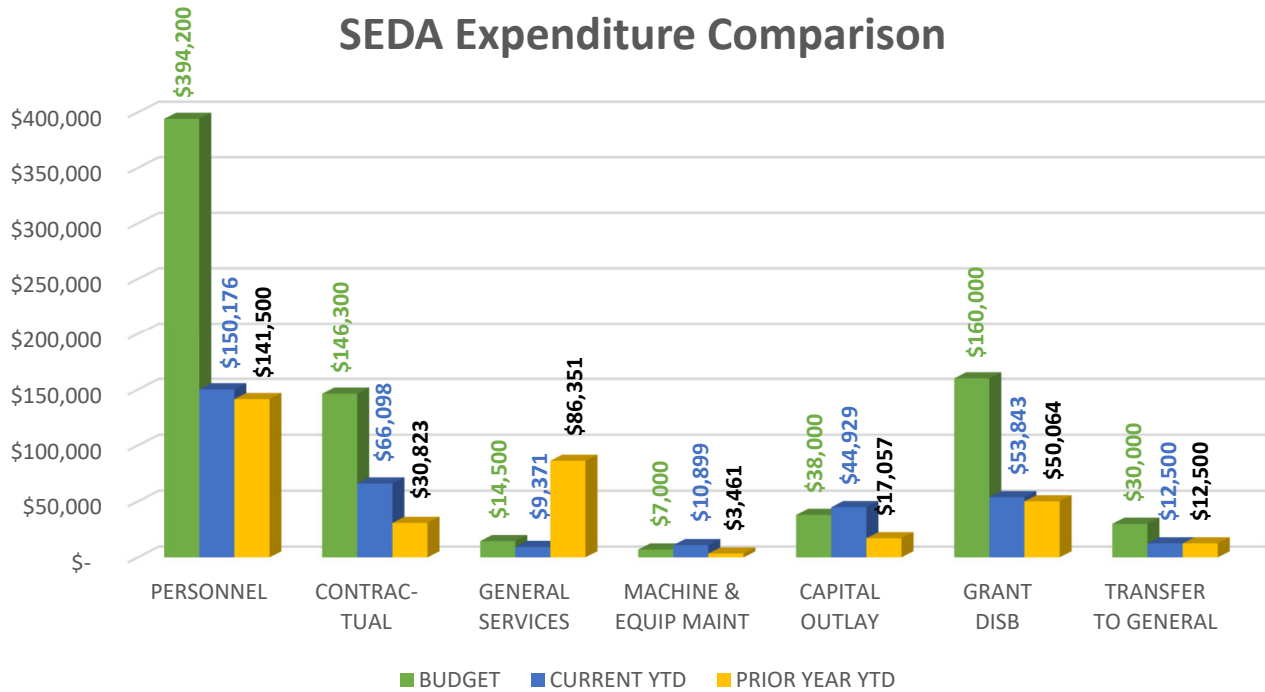
We spent \$4.3 million more in expenditures through February than last fiscal year to date due to personnel, capital outlay, and transfers related to capital outlay.

SEDA Revenue Comparison



SEDA has received 47% of budgeted revenue through February, which is \$23K more than last fiscal year to date due to taxes and \$26K more than anticipated due to taxes and interest income.

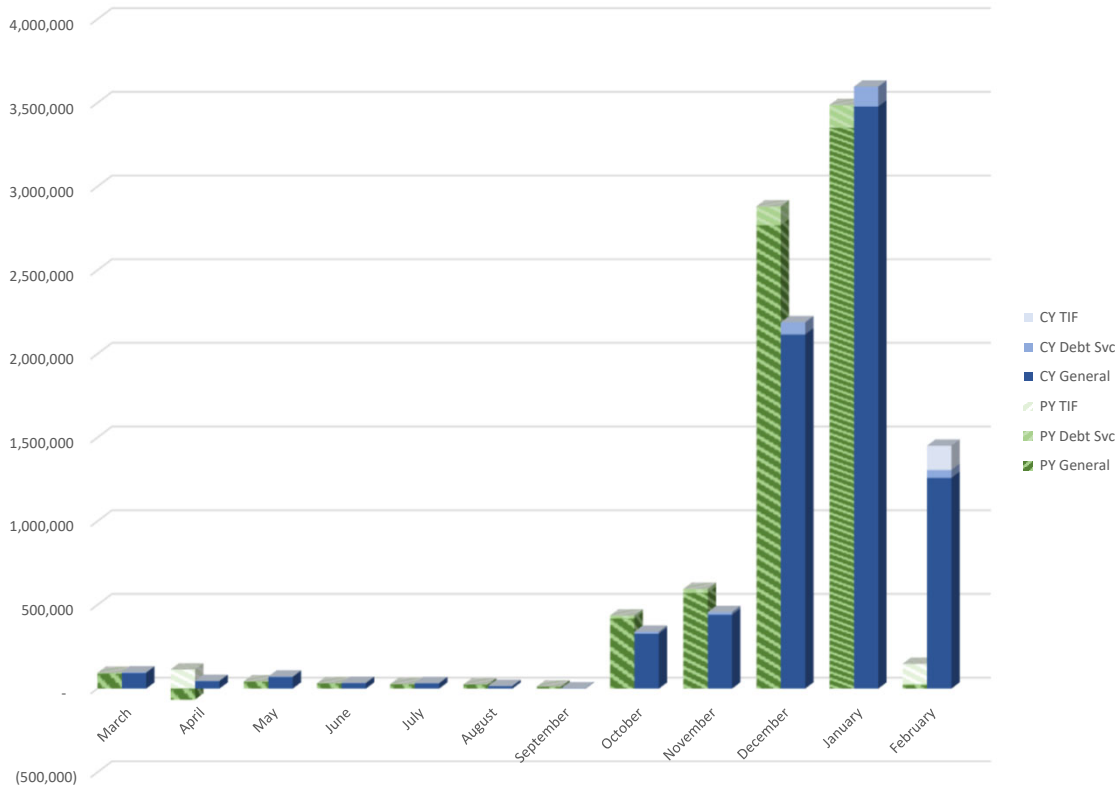
SEDA Expenditure Comparison



SEDA has spent an overall 44% of budgeted expenditures through February, which is \$6K more than last fiscal year to date due to contractual and \$6K more than anticipated due to equipment maintenance and capital outlay.



Property Tax Collections
2 year 12 month rolling comparison



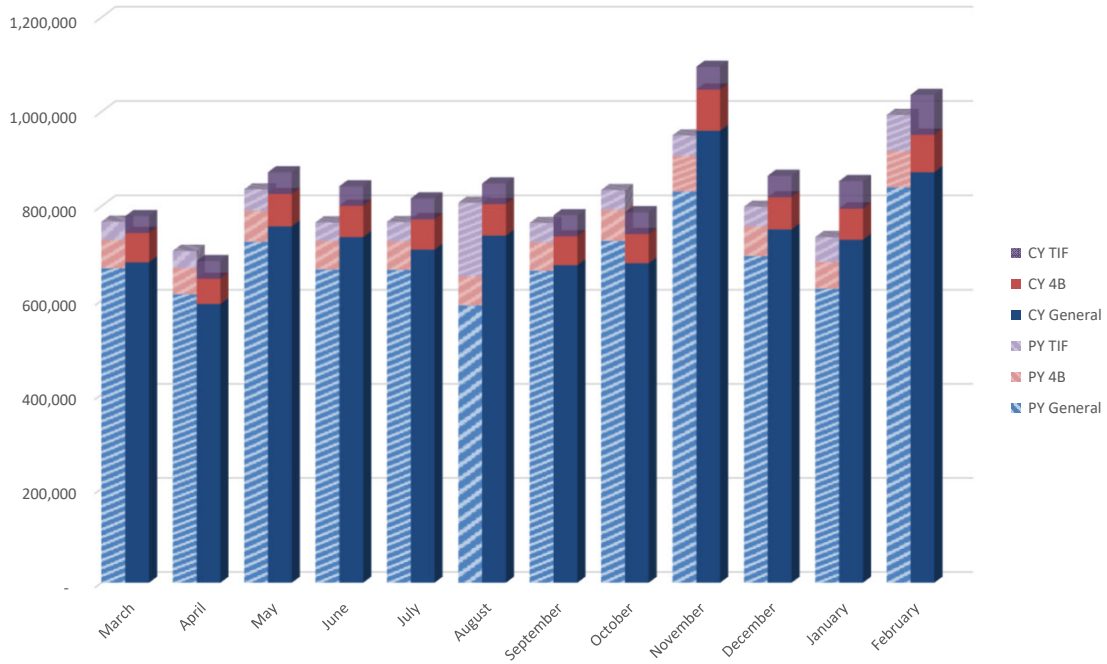
| Month | General Fund | Debt Svc | TIF | Total | Month | General Fund | Debt Svc | TIF | Total |
|--------------------|--------------|----------|---------|------------------|---------------------|--------------|----------|---------|------------------|
| Mar-24 | 90,280 | 3,823 | - | 94,103 | Mar-25 | 93,741 | 4,036 | - | 97,777 |
| Apr-24 | (64,868) | 2,038 | 112,569 | 49,740 | Apr-25 | 44,997 | 1,671 | - | 46,668 |
| May-24 | 42,319 | 1,798 | - | 44,117 | May-25 | 69,035 | 3,018 | - | 72,053 |
| Jun-24 | 31,592 | 1,335 | - | 32,927 | Jun-25 | 33,214 | 1,309 | - | 34,523 |
| Jul-24 | 26,485 | 1,127 | - | 27,612 | Jul-25 | 31,861 | 1,235 | - | 33,097 |
| Aug-24 | 24,665 | 1,029 | - | 25,693 | Aug-25 | 15,271 | 618 | - | 15,889 |
| Sep-24 | 12,040 | 580 | - | 12,620 | Sep-25 | 2,309 | 95 | - | 2,404 |
| Oct-24 | 419,463 | 16,988 | - | 436,451 | Oct-25 | 328,693 | 11,233 | - | 339,926 |
| Nov-24 | 572,344 | 23,175 | - | 595,519 | Nov-25 | 441,635 | 15,363 | - | 456,998 |
| Dec-24 | 2,769,471 | 112,240 | - | 2,881,711 | Dec-25 | 2,116,585 | 72,262 | - | 2,188,848 |
| Jan-25 | 3,351,878 | 135,722 | - | 3,487,600 | Jan-26 | 3,477,872 | 118,667 | - | 3,596,539 |
| Feb-25 | 21,399 | 6,171 | 120,967 | 148,537 | Feb-26 | 1,258,978 | 47,885 | 144,533 | 1,451,396 |
| 12 month total | | | | <u>7,836,629</u> | 12 month total | | | | <u>8,336,118</u> |
| Oct 2024-Feb 2025 | | | | <u>7,549,818</u> | Oct 2025-Feb 2026 | | | | <u>8,033,706</u> |
| FY 2024-2025 Total | | | | 7,852,251 | FY 2025-2026 Budget | | | | 8,348,434 |

Collection to date as percentage of fiscal year total 96.15%

Collection to date as percentage of fiscal year budget 96.23%



Sales and Use Tax
2 year 12 month rolling comparison



| Month | General | 4B | TIF | Total | Month | General | 4B | TIF | Total | % Change +/- |
|---|---------|--------|---------|------------------|--|---------|--------|--------|-------------------|--------------|
| Mar-24 | 668,209 | 60,746 | 38,135 | 767,091 | Mar-25 | 681,045 | 61,913 | 35,849 | 778,807 | 1.53% |
| Apr-24 | 613,466 | 55,770 | 36,003 | 705,239 | Apr-25 | 592,310 | 53,846 | 37,288 | 683,444 | -3.09% |
| May-24 | 724,651 | 65,877 | 45,017 | 835,545 | May-25 | 757,090 | 68,826 | 46,109 | 872,024 | 4.37% |
| Jun-24 | 665,869 | 60,534 | 39,286 | 765,689 | Jun-25 | 734,178 | 66,744 | 41,323 | 842,245 | 10.00% |
| Jul-24 | 665,181 | 60,471 | 40,825 | 766,477 | Jul-25 | 707,782 | 64,344 | 44,173 | 816,299 | 6.50% |
| Aug-24 | 589,750 | 61,970 | 155,514 | 807,234 | Aug-25 | 737,417 | 67,038 | 43,579 | 848,033 | 5.05% |
| Sep-24 | 663,362 | 60,306 | 40,724 | 764,391 | Sep-25 | 674,670 | 61,334 | 44,644 | 780,649 | 2.13% |
| Oct-24 | 726,284 | 66,026 | 41,726 | 834,036 | Oct-25 | 678,926 | 61,721 | 46,386 | 787,033 | -5.64% |
| Nov-24 | 831,028 | 75,548 | 43,386 | 949,962 | Nov-25 | 959,624 | 87,239 | 48,669 | 1,095,531 | 15.32% |
| Dec-24 | 694,219 | 63,111 | 41,377 | 798,707 | Dec-25 | 750,664 | 68,242 | 45,676 | 864,582 | 8.25% |
| Jan-25 | 625,250 | 56,841 | 52,434 | 734,525 | Jan-26 | 728,657 | 66,242 | 58,244 | 853,142 | 16.15% |
| Feb-25 | 840,039 | 76,367 | 76,939 | 993,345 | Feb-26 | 872,043 | 79,277 | 84,667 | 1,035,987 | 4.29% |
| 12 month total | | | | <u>9,722,240</u> | 12 month total | | | | <u>10,257,775</u> | 5.51% |
| Oct 2024-Feb 2025 | | | | <u>4,310,574</u> | Oct 2025-Feb 2026 | | | | <u>4,636,275</u> | 7.56% |
| FY 2024-2025 Total | | | | 9,932,074 | FY 2025-2026 Budget | | | | 9,682,020 | |
| Collection to date as percentage of fiscal year total | | | | 43.40% | Collection to date as percentage of fiscal year budget | | | | 47.89% | |



City of Stephenville

Budget Variance Report

As Of: 02/28/2026

Fund: 01 - GENERAL FUND

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|------------------------|---------------------|---------------------|---------------------|----------------------|----------------------|-------------------|-----------|----------------------|-----------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| REVENUE SUMMARY | | | | | | | | | | |
| TAXES | 2,433,074.97 | 1,107,818.36 | 1,325,256.61 | 12,345,198.39 | 11,938,037.66 | 407,160.73 | 67 | 18,421,659.00 | (6,076,460.61) | 33 |
| LICENSES AND PERMITS | 36,684.06 | 26,297.69 | 10,386.37 | 158,543.02 | 233,093.29 | (74,550.27) | 33 | 485,088.00 | (326,544.98) | 67 |
| FINES AND FORFEITURES | 37,388.66 | 30,347.86 | 7,040.80 | 112,222.99 | 97,436.76 | 14,786.23 | 48 | 233,440.00 | (121,217.01) | 52 |
| INTERGOVERNMENTAL | 64,535.79 | 300.00 | 64,235.79 | 149,747.94 | 51,500.00 | 98,247.94 | 45 | 332,665.00 | (182,917.06) | 55 |
| CHARGES FOR SERVICES | 157,288.86 | 40,098.84 | 117,190.02 | 472,669.17 | 395,295.60 | 77,373.57 | 40 | 1,189,705.00 | (717,035.83) | 60 |
| OTHER REVENUE | 71,586.66 | 44,781.63 | 26,805.03 | 329,410.05 | 200,040.21 | 129,369.84 | 52 | 628,689.00 | (299,278.95) | 48 |
| TRANSFER | 1,763,925.00 | 0.00 | 1,763,925.00 | 1,763,925.00 | 1,763,925.00 | 0.00 | 100 | 1,763,925.00 | 0.00 | 0 |
| TOTAL REVENUE | 4,564,484.00 | 1,249,644.38 | 3,314,839.62 | 15,331,716.56 | 14,679,328.52 | 652,388.04 | 67 | 23,055,171.00 | (7,723,454.44) | 33 |
| EXPENSE SUMMARY | | | | | | | | | | |
| CITY COUNCIL | 11,087.23 | 14,221.71 | 3,134.48 | 100,123.22 | 91,004.78 | (9,118.44) | 52 | 192,126.00 | (92,002.78) | 48 |
| CITY MANAGER | 26,789.69 | 37,285.41 | 10,495.72 | 193,872.83 | 208,792.02 | 14,919.19 | 40 | 488,975.00 | (295,102.17) | 60 |
| CITY SECRETARY | 14,176.89 | 15,730.42 | 1,553.53 | 151,199.92 | 137,839.42 | (13,360.50) | 59 | 255,665.00 | (104,465.08) | 41 |
| EMERGENCY MANAGEMENT | 477.57 | 1,156.52 | 678.95 | 11,649.50 | 17,240.68 | 5,591.18 | 54 | 21,660.00 | (10,010.50) | 46 |
| MUNICIPAL BUILDING | 6,080.08 | 10,259.09 | 4,179.01 | 51,290.62 | 68,531.73 | 17,241.11 | 36 | 143,052.00 | (91,761.38) | 64 |
| MUNICIPAL SERVICES CTR | 1,941.43 | 10,730.43 | 8,789.00 | 74,110.93 | 85,708.58 | 11,597.65 | 45 | 163,814.00 | (89,703.07) | 55 |
| HUMAN RESOURCES | 16,176.73 | 27,574.57 | 11,397.84 | 109,126.92 | 151,230.89 | 42,103.97 | 30 | 365,366.00 | (256,239.08) | 70 |
| DOWNTOWN | 5,900.76 | 15,312.96 | 9,412.20 | 66,702.93 | 80,519.93 | 13,817.00 | 35 | 190,914.00 | (124,211.07) | 65 |
| FINANCE | 45,899.48 | 59,997.99 | 14,098.51 | 430,731.82 | 441,338.73 | 10,606.91 | 52 | 828,915.00 | (398,183.18) | 48 |
| INFORMATION TECHNOLOGY | 21,140.70 | 48,389.34 | 27,248.64 | 450,553.47 | 324,845.09 | (125,708.38) | 67 | 673,635.00 | (223,081.53) | 33 |
| TAX | 0.00 | 59,365.08 | 59,365.08 | 183,787.62 | 243,394.64 | 59,607.02 | 61 | 302,832.00 | (119,044.38) | 39 |
| LEGAL COUNSEL | 9,130.67 | 13,312.35 | 4,181.68 | 44,649.68 | 65,634.57 | 20,984.89 | 28 | 160,053.00 | (115,403.32) | 72 |
| MUNICIPAL COURT | 12,777.90 | 14,632.48 | 1,854.58 | 75,662.47 | 76,798.36 | 1,135.89 | 41 | 182,355.00 | (106,692.53) | 59 |
| STREET MAINTENANCE | 76,379.43 | 78,874.73 | 2,495.30 | 325,896.42 | 712,563.19 | 386,666.77 | 25 | 1,305,726.00 | (979,829.58) | 75 |
| PARKS & LEISURE ADM | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |

Budget Variance Report
Fund: 01 - GENERAL FUND

As Of: 02/28/2026

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|---------------------|---------------------|-----------------------|----------------------|----------------------|---------------------|-----------|-----------------------|------------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| PARKS & RECREATION | 152,170.80 | 171,473.96 | 19,303.16 | 841,704.30 | 1,108,863.34 | 267,159.04 | 33 | 2,585,664.00 | (1,743,959.70) | 67 |
| PARK MAINTENANCE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| LIBRARY | 20,580.11 | 23,395.73 | 2,815.62 | 119,835.87 | 130,008.48 | 10,172.61 | 38 | 315,611.00 | (195,775.13) | 62 |
| SENIOR CENTER | 19,344.54 | 21,752.71 | 2,408.17 | 114,884.41 | 121,416.92 | 6,532.51 | 41 | 279,958.00 | (165,073.59) | 59 |
| AQUATIC CENTER | 1,880.18 | 5,351.95 | 3,471.77 | 23,588.46 | 33,584.10 | 9,995.64 | 33 | 71,585.00 | (47,996.54) | 67 |
| FIRE DEPARTMENT | 552,363.40 | 395,484.23 | (156,879.17) | 2,504,914.53 | 2,435,034.01 | (69,880.52) | 46 | 5,489,940.00 | (2,985,025.47) | 54 |
| POLICE DEPARTMENT | 44,501.24 | 730,881.23 | 686,379.99 | 2,614,153.40 | 4,144,022.01 | 1,529,868.61 | 26 | 10,087,902.00 | (7,473,748.60) | 74 |
| DEVELOPMENT SERVICES | 92,709.04 | 74,735.47 | (17,973.57) | 335,343.72 | 420,571.76 | 85,228.04 | 34 | 972,988.00 | (637,644.28) | 66 |
| CODE ENFORCEMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| GIS | 6,909.51 | 37,727.18 | 30,817.67 | 40,121.13 | 73,783.71 | 33,662.58 | 31 | 130,425.00 | (90,303.87) | 69 |
| TRANSFERS | 3,853,822.00 | 0.00 | (3,853,822.00) | 3,853,822.00 | 3,853,822.00 | 0.00 | 98 | 3,927,687.00 | (73,865.00) | 2 |
| TOTAL EXPENSE | 4,992,239.38 | 1,867,645.54 | (3,124,593.84) | 12,717,726.17 | 15,026,548.94 | 2,308,822.77 | 44 | 29,136,848.00 | 16,419,121.83 | 56 |
| REVENUE OVER/(UNDER) EXPENDITURE | (427,755.38) | (618,001.16) | 190,245.78 | 2,613,990.39 | (347,220.42) | 2,961,210.81 | | (6,081,677.00) | (24,142,576.27) | |

Fund: 02 - WATER AND WASTEWATER FUND

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|---------------------|-----------------------|---------------------|---------------------|-----------------------|---------------------|-----------|-----------------------|------------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| REVENUE SUMMARY | | | | | | | | | | |
| LICENSES AND PERMITS | 0.00 | 360.14 | (360.14) | 0.00 | 360.14 | (360.14) | 0 | 1,000.00 | (1,000.00) | 100 |
| INTERGOVERNMENTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| CHARGES FOR SERVICES | 1,127,169.33 | 1,398,764.42 | (271,595.09) | 5,485,919.00 | 5,195,009.03 | 290,909.97 | 42 | 13,022,592.00 | (7,536,673.00) | 58 |
| OTHER REVENUE | 3,216,019.21 | 25,812.92 | 3,190,206.29 | 3,367,413.84 | 3,130,589.80 | 236,824.04 | 101 | 3,328,020.00 | 39,393.84 | -1 |
| TRANSFER | 194,631.00 | 0.00 | 194,631.00 | 194,631.00 | 194,631.00 | 0.00 | 100 | 194,631.00 | 0.00 | 0 |
| TOTAL REVENUE | 4,537,819.54 | 1,424,937.48 | 3,112,882.06 | 9,047,963.84 | 8,520,589.97 | 527,373.87 | 55 | 16,546,243.00 | (7,498,279.16) | 45 |
| EXPENSE SUMMARY | | | | | | | | | | |
| UTILITIES ADMINISTRATION | 85,066.48 | 114,746.04 | 29,679.56 | 458,883.55 | 660,257.53 | 201,373.98 | 30 | 1,510,101.00 | (1,051,217.45) | 70 |
| WATER PRODUCTION | 98,071.46 | 100,023.90 | 1,952.44 | 737,633.45 | 772,801.05 | 35,167.60 | 49 | 1,494,421.00 | (756,787.55) | 51 |
| WATER DISTRIBUTION | 47,722.36 | 320,469.32 | 272,746.96 | 279,508.00 | 1,621,581.06 | 1,342,073.06 | 7 | 3,876,632.00 | (3,597,124.00) | 93 |
| CUSTOMER SERVICE | 71,214.27 | 48,301.00 | (22,913.27) | 274,737.47 | 284,822.55 | 10,085.08 | 43 | 635,836.00 | (361,098.53) | 57 |
| WASTEWATER COLLECTION | 113,051.83 | 181,317.25 | 68,265.42 | 413,952.02 | 942,674.79 | 528,722.77 | 19 | 2,227,920.00 | (1,813,967.98) | 81 |
| WASTEWATER TREATMENT | 152,583.14 | 234,115.45 | 81,532.31 | 652,742.40 | 1,211,232.25 | 558,489.85 | 23 | 2,850,753.00 | (2,198,010.60) | 77 |
| BILLING & COLLECTION | 96,735.98 | 106,974.33 | 10,238.35 | 597,061.71 | 578,571.76 | (18,489.95) | 46 | 1,307,414.00 | (710,352.29) | 54 |
| NON-DEPARTMENTAL | 3,962,278.59 | 3,327,902.68 | (634,375.91) | 4,266,884.85 | 4,955,693.64 | 688,808.79 | 73 | 5,884,988.00 | (1,618,103.15) | 27 |
| TOTAL EXPENSE | 4,626,724.11 | 4,433,849.97 | (192,874.14) | 7,681,403.45 | 11,027,634.63 | 3,346,231.18 | 39 | 19,788,065.00 | 12,106,661.55 | 61 |
| REVENUE OVER/(UNDER) EXPENDITURE | (88,904.57) | (3,008,912.49) | 2,920,007.92 | 1,366,560.39 | (2,507,044.66) | 3,873,605.05 | | (3,241,822.00) | (19,604,940.71) | |

Budget Variance Report

As Of: 02/28/2026

Fund: 03 - SANITARY LANDFILL FUND

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|--------------------|-------------------|---------------------|---------------------|---------------------|-------------------|-----------|---------------------|-----------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| <u>REVENUE SUMMARY</u> | | | | | | | | | | |
| CHARGES FOR SERVICES | 170,116.57 | 108,640.71 | 61,475.86 | 784,608.53 | 642,613.33 | 141,995.20 | 44 | 1,775,175.00 | (990,566.47) | 56 |
| OTHER REVENUE | 11,132.41 | 8,700.00 | 2,432.41 | 998,764.90 | 982,238.00 | 16,526.90 | 94 | 1,062,850.00 | (64,085.10) | 6 |
| TRANSFER | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| TOTAL REVENUE | 181,248.98 | 117,340.71 | 63,908.27 | 1,783,373.43 | 1,624,851.33 | 158,522.10 | 63 | 2,838,025.00 | (1,054,651.57) | 37 |
| <u>EXPENSE SUMMARY</u> | | | | | | | | | | |
| LANDFILL | 252,453.87 | 71,682.33 | (180,771.54) | 1,674,580.63 | 1,860,527.44 | 185,946.81 | 63 | 2,665,300.00 | (990,719.37) | 37 |
| TOTAL EXPENSE | 252,453.87 | 71,682.33 | (180,771.54) | 1,674,580.63 | 1,860,527.44 | 185,946.81 | 63 | 2,665,300.00 | 990,719.37 | 37 |
| REVENUE OVER/(UNDER) EXPENDITURE | (71,204.89) | 45,658.38 | (116,863.27) | 108,792.80 | (235,676.11) | 344,468.91 | | 172,725.00 | (2,045,370.94) | |

Budget Variance Report
Fund: 04 - AIRPORT FUND

As Of: 02/28/2026

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-----------|---------------------|-----------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| REVENUE SUMMARY | | | | | | | | | | |
| INTERGOVERNMENTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 100,000.00 | (100,000.00) | 100 |
| CHARGES FOR SERVICES | 8,708.77 | 9,014.64 | (305.87) | 72,073.66 | 64,594.02 | 7,479.64 | 56 | 128,610.00 | (56,536.34) | 44 |
| OTHER REVENUE | 0.00 | 0.00 | 0.00 | 35,768.75 | 0.00 | 35,768.75 | 8 | 453,355.00 | (417,586.25) | 92 |
| TRANSFER | 597,064.00 | 0.00 | 597,064.00 | 597,064.00 | 597,064.00 | 0.00 | 100 | 597,064.00 | 0.00 | 0 |
| TOTAL REVENUE | 605,772.77 | 9,014.64 | 596,758.13 | 704,906.41 | 661,658.02 | 43,248.39 | 55 | 1,279,029.00 | (574,122.59) | 45 |
| EXPENSE SUMMARY | | | | | | | | | | |
| AIRPORT | 29,280.72 | 94,923.57 | 65,642.85 | 144,659.93 | 495,893.63 | 351,233.70 | 12 | 1,171,437.00 | (1,026,777.07) | 88 |
| TOTAL EXPENSE | 29,280.72 | 94,923.57 | 65,642.85 | 144,659.93 | 495,893.63 | 351,233.70 | 12 | 1,171,437.00 | 1,026,777.07 | 88 |
| REVENUE OVER/(UNDER) EXPENDITURE | 576,492.05 | (85,908.93) | 662,400.98 | 560,246.48 | 165,764.39 | 394,482.09 | | 107,592.00 | (1,600,899.66) | |

Budget Variance Report

As Of: 02/28/2026

Fund: 05 - STORM WATER DRAINAGE FUND

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-----------|---------------------|-----------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| REVENUE SUMMARY | | | | | | | | | | |
| LICENSES AND PERMITS | 0.00 | 5,273.69 | (5,273.69) | 5,589.41 | 5,273.69 | 315.72 | 28 | 20,000.00 | (14,410.59) | 72 |
| INTERGOVERNMENTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| CHARGES FOR SERVICES | 124,495.38 | 170,016.50 | (45,521.12) | 625,360.20 | 602,024.96 | 23,335.24 | 43 | 1,454,904.00 | (829,543.80) | 57 |
| OTHER REVENUE | 3,954.85 | 3,512.00 | 442.85 | 21,930.97 | 13,936.00 | 7,994.97 | 55 | 40,000.00 | (18,069.03) | 45 |
| TRANSFER | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| TOTAL REVENUE | 128,450.23 | 178,802.19 | (50,351.96) | 652,880.58 | 621,234.65 | 31,645.93 | 43 | 1,514,904.00 | (862,023.42) | 57 |
| EXPENSE SUMMARY | | | | | | | | | | |
| STORM WATER DRAINAGE | 869,381.72 | 487,547.20 | (381,834.52) | 897,239.79 | 1,181,444.00 | 284,204.21 | 53 | 1,688,087.00 | (790,847.21) | 47 |
| TOTAL EXPENSE | 869,381.72 | 487,547.20 | (381,834.52) | 897,239.79 | 1,181,444.00 | 284,204.21 | 53 | 1,688,087.00 | 790,847.21 | 47 |
| REVENUE OVER/(UNDER) EXPENDITURE | (740,931.49) | (308,745.01) | (432,186.48) | (244,359.21) | (560,209.35) | 315,850.14 | | (173,183.00) | (1,652,870.63) | |

Budget Variance Report

As Of: 02/28/2026

Fund: 07 - HOTEL OCCUPANCY TAX FUND

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|--------------------|---------------------|-------------------|-------------------|---------------------|-------------------|-----------|---------------------|-----------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| REVENUE SUMMARY | | | | | | | | | | |
| TAXES | 61,285.91 | 64,072.06 | (2,786.15) | 302,308.45 | 257,102.84 | 45,205.61 | 30 | 1,018,274.00 | (715,965.55) | 70 |
| INTERGOVERNMENTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| CHARGES FOR SERVICES | 485.00 | 3,750.00 | (3,265.00) | 1,810.00 | 18,750.00 | (16,940.00) | 3 | 69,754.00 | (67,944.00) | 97 |
| OTHER REVENUE | 7,074.56 | 5,680.00 | 1,394.56 | 37,148.47 | 24,912.00 | 12,236.47 | 46 | 80,000.00 | (42,851.53) | 54 |
| TRANSFER | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| TOTAL REVENUE | 68,845.47 | 73,502.06 | (4,656.59) | 341,266.92 | 300,764.84 | 40,502.08 | 29 | 1,168,028.00 | (826,761.08) | 71 |
| EXPENSE SUMMARY | | | | | | | | | | |
| TOURISM | 114,707.37 | 193,204.45 | 78,497.08 | 217,326.71 | 520,849.01 | 303,522.30 | 21 | 1,020,830.00 | (803,503.29) | 79 |
| NON-DEPARTMENTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| TOTAL EXPENSE | 114,707.37 | 193,204.45 | 78,497.08 | 217,326.71 | 520,849.01 | 303,522.30 | 21 | 1,020,830.00 | 803,503.29 | 79 |
| REVENUE OVER/(UNDER) EXPENDITURE | (45,861.90) | (119,702.39) | 73,840.49 | 123,940.21 | (220,084.17) | 344,024.38 | | 147,198.00 | (1,630,264.37) | |

Budget Variance Report

As Of: 02/28/2026

Fund: 08 - DEBT SERVICE FUND

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|-----------|---------------------|---------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| <u>REVENUE SUMMARY</u> | | | | | | | | | | |
| TAXES | 47,884.91 | 10,780.89 | 37,104.02 | 265,410.09 | 242,633.25 | 22,776.84 | 105 | 252,480.00 | 12,930.09 | -5 |
| OTHER REVENUE | 804.80 | 629.30 | 175.50 | 4,308.15 | 2,853.20 | 1,454.95 | 62 | 7,000.00 | (2,691.85) | 38 |
| TRANSFER | 0.00 | 691,225.00 | (691,225.00) | 0.00 | 691,225.00 | (691,225.00) | 0 | 821,450.00 | (821,450.00) | 100 |
| TOTAL REVENUE | 48,689.71 | 702,635.19 | (653,945.48) | 269,718.24 | 936,711.45 | (666,993.21) | 25 | 1,080,930.00 | (811,211.76) | 75 |
| <u>EXPENSE SUMMARY</u> | | | | | | | | | | |
| DEBT SERVICE | 949,775.00 | 949,775.00 | 0.00 | 949,775.00 | 949,775.00 | 0.00 | 86 | 1,100,725.00 | (150,950.00) | 14 |
| TOTAL EXPENSE | 949,775.00 | 949,775.00 | 0.00 | 949,775.00 | 949,775.00 | 0.00 | 86 | 1,100,725.00 | 150,950.00 | 14 |
| REVENUE OVER/(UNDER) EXPENDITURE | (901,085.29) | (247,139.81) | (653,945.48) | (680,056.76) | (13,063.55) | (666,993.21) | | (19,795.00) | (962,161.76) | |

Fund: 10 - CAPITAL PROJECTS FUND

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------|-----------------------|-----------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| REVENUE SUMMARY | | | | | | | | | | |
| LICENSES AND PERMITS | 0.00 | 0.00 | 0.00 | 0.00 | 1,205.85 | (1,205.85) | 0 | 1,500.00 | (1,500.00) | 100 |
| INTERGOVERNMENTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| CHARGES FOR SERVICES | 0.00 | 0.00 | 0.00 | 2,194.50 | 4,532.43 | (2,337.93) | 18 | 12,500.00 | (10,305.50) | 82 |
| OTHER REVENUE | 16,009.01 | 11,312.00 | 4,697.01 | 75,894.68 | 55,776.00 | 20,118.68 | 54 | 140,000.00 | (64,105.32) | 46 |
| TRANSFER | 3,256,758.00 | 0.00 | 3,256,758.00 | 3,256,758.00 | 3,256,758.00 | 0.00 | 100 | 3,256,758.00 | 0.00 | 0 |
| TOTAL REVENUE | 3,272,767.01 | 11,312.00 | 3,261,455.01 | 3,334,847.18 | 3,318,272.28 | 16,574.90 | 98 | 3,410,758.00 | (75,910.82) | 2 |
| EXPENSE SUMMARY | | | | | | | | | | |
| STREET MAINTENANCE | 1,980.57 | 245,179.30 | 243,198.73 | 35,318.44 | 1,225,896.50 | 1,190,578.06 | 1 | 2,943,329.00 | (2,908,010.56) | 99 |
| PARKS & RECREATION | 112,826.74 | 249,900.00 | 137,073.26 | 278,025.44 | 1,249,500.00 | 971,474.56 | 9 | 3,000,000.00 | (2,721,974.56) | 91 |
| FIRE DEPARTMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| TRANSFERS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| NON-DEPARTMENTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| TOTAL EXPENSE | 114,807.31 | 495,079.30 | 380,271.99 | 313,343.88 | 2,475,396.50 | 2,162,052.62 | 5 | 5,943,329.00 | 5,629,985.12 | 95 |
| REVENUE OVER/(UNDER) EXPENDITURE | 3,157,959.70 | (483,767.30) | 3,641,727.00 | 3,021,503.30 | 842,875.78 | 2,178,627.52 | | (2,532,571.00) | (5,705,895.94) | |

Budget Variance Report

As Of: 02/28/2026

Fund: 11 - CHILD SAFETY FUND

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|---------------|---------------|--------------|--------------------|--------------------|---------------|-----------|--------------------|-------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| REVENUE SUMMARY | | | | | | | | | | |
| FINES AND FORFEITURES | 705.72 | 673.75 | 31.97 | 3,264.50 | 3,028.12 | 236.38 | 52 | 6,250.00 | (2,985.50) | 48 |
| OTHER REVENUE | 64.33 | 52.84 | 11.49 | 329.96 | 231.46 | 98.50 | 46 | 720.00 | (390.04) | 54 |
| TOTAL REVENUE | 770.05 | 726.59 | 43.46 | 3,594.46 | 3,259.58 | 334.88 | 52 | 6,970.00 | (3,375.54) | 48 |
| EXPENSE SUMMARY | | | | | | | | | | |
| CHILD SAFETY | 0.00 | 0.00 | 0.00 | 21,645.00 | 22,050.00 | 405.00 | 98 | 22,050.00 | (405.00) | 2 |
| TOTAL EXPENSE | 0.00 | 0.00 | 0.00 | 21,645.00 | 22,050.00 | 405.00 | 98 | 22,050.00 | 405.00 | 2 |
| REVENUE OVER/(UNDER) EXPENDITURE | 770.05 | 726.59 | 43.46 | (18,050.54) | (18,790.42) | 739.88 | | (15,080.00) | (3,780.54) | |

Budget Variance Report

As Of: 02/28/2026

Fund: 12 - COURT TECHNOLOGY FUND

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|-----------------|-----------------|---------------|-------------------|-------------------|-----------------|-----------|------------------|--------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| REVENUE SUMMARY | | | | | | | | | | |
| FINES AND FORFEITURES | 1,319.00 | 1,260.32 | 58.68 | 5,402.22 | 6,301.60 | (899.38) | 36 | 15,130.00 | (9,727.78) | 64 |
| OTHER REVENUE | 194.16 | 140.00 | 54.16 | 1,043.79 | 591.40 | 452.39 | 52 | 2,000.00 | (956.21) | 48 |
| TOTAL REVENUE | 1,513.16 | 1,400.32 | 112.84 | 6,446.01 | 6,893.00 | (446.99) | 38 | 17,130.00 | (10,683.99) | 62 |
| EXPENSE SUMMARY | | | | | | | | | | |
| COURT TECHNOLOGY | 0.00 | 0.00 | 0.00 | 7,708.80 | 14,833.00 | 7,124.20 | 52 | 14,833.00 | (7,124.20) | 48 |
| TOTAL EXPENSE | 0.00 | 0.00 | 0.00 | 7,708.80 | 14,833.00 | 7,124.20 | 52 | 14,833.00 | 7,124.20 | 48 |
| REVENUE OVER/(UNDER) EXPENDITURE | 1,513.16 | 1,400.32 | 112.84 | (1,262.79) | (7,940.00) | 6,677.21 | | 2,297.00 | (17,808.19) | |

Budget Variance Report

As Of: 02/28/2026

Fund: 13 - PUBLIC SAFETY FUND

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|---------------|-----------------|-------------------|-----------------|-------------------|-------------------|-----------|-------------------|--------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| <u>REVENUE SUMMARY</u> | | | | | | | | | | |
| FINES AND FORFEITURES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| INTERGOVERNMENTAL | 0.00 | 3,350.00 | (3,350.00) | 0.00 | 3,350.00 | (3,350.00) | 0 | 3,350.00 | (3,350.00) | 100 |
| OTHER REVENUE | 586.97 | 349.60 | 237.37 | 3,323.45 | 1,592.00 | 1,731.45 | 83 | 4,000.00 | (676.55) | 17 |
| TOTAL REVENUE | 586.97 | 3,699.60 | (3,112.63) | 3,323.45 | 4,942.00 | (1,618.55) | 45 | 7,350.00 | (4,026.55) | 55 |
| <u>EXPENSE SUMMARY</u> | | | | | | | | | | |
| PUBLIC SAFETY | 0.00 | 0.00 | 0.00 | 938.17 | 10,761.00 | 9,822.83 | 9 | 10,761.00 | (9,822.83) | 91 |
| TOTAL EXPENSE | 0.00 | 0.00 | 0.00 | 938.17 | 10,761.00 | 9,822.83 | 9 | 10,761.00 | 9,822.83 | 91 |
| REVENUE OVER/(UNDER) EXPENDITURE | 586.97 | 3,699.60 | (3,112.63) | 2,385.28 | (5,819.00) | 8,204.28 | | (3,411.00) | (13,849.38) | |

Budget Variance Report

As Of: 02/28/2026

Fund: 20 - TAX INCREMENT FINANCING FUND

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|-------------------|---------------------|--------------------|-------------------|---------------------|-------------------|-----------|-------------------|-----------------------|------------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| <u>REVENUE SUMMARY</u> | | | | | | | | | | |
| TAXES | 229,200.19 | 250,252.36 | (21,052.17) | 428,174.16 | 431,090.13 | (2,915.97) | 49 | 869,565.00 | (441,390.84) | 51 |
| OTHER REVENUE | 857.69 | 465.00 | 392.69 | 5,940.02 | 1,908.60 | 4,031.42 | 99 | 6,000.00 | (59.98) | 1 |
| TRANSFER | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| TOTAL REVENUE | 230,057.88 | 250,717.36 | (20,659.48) | 434,114.18 | 432,998.73 | 1,115.45 | 50 | 875,565.00 | (441,450.82) | 50 |
| <u>EXPENSE SUMMARY</u> | | | | | | | | | | |
| TAX INCREMENT FINANCING | 0.00 | 691,225.00 | 691,225.00 | 0.00 | 691,225.00 | 691,225.00 | 0 | 821,450.00 | (821,450.00) | 100 |
| TOTAL EXPENSE | 0.00 | 691,225.00 | 691,225.00 | 0.00 | 691,225.00 | 691,225.00 | 0 | 821,450.00 | 821,450.00 | 100 |
| REVENUE OVER/(UNDER) EXPENDITURE | 230,057.88 | (440,507.64) | 670,565.52 | 434,114.18 | (258,226.27) | 692,340.45 | | 54,115.00 | (1,262,900.82) | |

Budget Variance Report

As Of: 02/28/2026

Fund: 79 - SEDA

| | CURRENT MONTH | | | YEAR TO DATE | | | | ANNUAL BUDGET | | |
|---|------------------|------------------|------------------|-------------------|-------------------|-------------------|-----------|-------------------|---------------------|-----------|
| | ACTUAL | BUDGETED | VARIANCE | ACTUAL | BUDGETED | VARIANCE | % | TOTAL | REMAINING | % |
| <u>REVENUE SUMMARY</u> | | | | | | | | | | |
| TAXES | 79,276.65 | 70,946.80 | 8,329.85 | 362,719.44 | 339,216.80 | 23,502.64 | 47 | 772,000.00 | (409,280.56) | 53 |
| INTERGOVERNMENTAL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | |
| OTHER REVENUE | 1,515.68 | 1,513.80 | 1.88 | 9,941.17 | 6,942.60 | 2,998.57 | 55 | 18,000.00 | (8,058.83) | 45 |
| TOTAL REVENUE | 80,792.33 | 72,460.60 | 8,331.73 | 372,660.61 | 346,159.40 | 26,501.21 | 47 | 790,000.00 | (417,339.39) | 53 |
| <u>EXPENSE SUMMARY</u> | | | | | | | | | | |
| SEDA | 56,507.56 | 59,713.19 | 3,205.63 | 347,815.23 | 341,152.70 | (6,662.53) | 44 | 790,000.00 | (442,184.77) | 56 |
| TOTAL EXPENSE | 56,507.56 | 59,713.19 | 3,205.63 | 347,815.23 | 341,152.70 | (6,662.53) | 44 | 790,000.00 | 442,184.77 | 56 |
| REVENUE OVER/(UNDER) EXPENDITURE | 24,284.77 | 12,747.41 | 11,537.36 | 24,845.38 | 5,006.70 | 19,838.68 | | 0.00 | (859,524.16) | |



City of Stephenville

Prior-Year Comparative Income Statement Group Summary

For the Period Ending 02/28/2026

| Categor... | 2024-2025 Feb. Activity | 2025-2026 Feb. Activity | Feb. Variance Favorable / (Unfavorable) | Variance % | 2024-2025 YTD Activity | 2025-2026 YTD Activity | YTD Variance Favorable / (Unfavorable) | Variance % |
|---|----------------------------|----------------------------|---|----------------|---------------------------|---------------------------|--|---------------|
| Fund: 01 - GENERAL FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 40 - TAXES | 1,146,832.74 | 2,433,074.97 | 1,286,242.23 | 112.16% | 11,523,803.71 | 12,345,198.39 | 821,394.68 | 7.13% |
| 41 - LICENSES AND PERMITS | 232,630.02 | 36,684.06 | -195,945.96 | -84.23% | 588,821.40 | 158,543.02 | -430,278.38 | -73.07% |
| 42 - FINES AND FORFEITURES | 40,385.14 | 37,388.66 | -2,996.48 | -7.42% | 141,530.32 | 112,222.99 | -29,307.33 | -20.71% |
| 43 - INTERGOVERNMENTAL | 300.00 | 64,535.79 | 64,235.79 | 21,411.93% | 132,148.43 | 149,747.94 | 17,599.51 | 13.32% |
| 44 - CHARGES FOR SERVICES | 117,170.25 | 157,288.86 | 40,118.61 | 34.24% | 440,226.16 | 472,669.17 | 32,443.01 | 7.37% |
| 45 - OTHER REVENUE | 64,503.37 | 71,586.66 | 7,083.29 | 10.98% | 857,147.98 | 329,410.05 | -527,737.93 | -61.57% |
| 49 - TRANSFER | 1,637,591.00 | 1,763,925.00 | 126,334.00 | 7.71% | 1,637,591.00 | 1,763,925.00 | 126,334.00 | 7.71% |
| Revenue Total: | 3,239,412.52 | 4,564,484.00 | 1,325,071.48 | 40.90% | 15,321,269.00 | 15,331,716.56 | 10,447.56 | 0.07% |
| Expense | | | | | | | | |
| Department: 101 - CITY COUNCIL | | | | | | | | |
| 51 - PERSONNEL | 2,157.68 | 1,964.76 | 192.92 | 8.94% | 10,187.09 | 9,098.12 | 1,088.97 | 10.69% |
| 52 - CONTRACTUAL | 7,043.45 | 9,122.47 | -2,079.02 | -29.52% | 113,097.16 | 89,770.62 | 23,326.54 | 20.63% |
| 53 - GENERAL SERVICES | 635.04 | 0.00 | 635.04 | 100.00% | 2,867.46 | 1,254.48 | 1,612.98 | 56.25% |
| Department 101 - CITY COUNCIL Total: | 9,836.17 | 11,087.23 | -1,251.06 | -12.72% | 126,151.71 | 100,123.22 | 26,028.49 | 20.63% |
| Department: 102 - CITY MANAGER | | | | | | | | |
| 51 - PERSONNEL | 32,804.89 | 26,480.66 | 6,324.23 | 19.28% | 176,739.75 | 182,864.22 | -6,124.47 | -3.47% |
| 52 - CONTRACTUAL | 3,275.95 | 278.67 | 2,997.28 | 91.49% | 9,376.52 | 9,839.89 | -463.37 | -4.94% |
| 53 - GENERAL SERVICES | 29.64 | 30.36 | -0.72 | -2.43% | 571.56 | 1,168.72 | -597.16 | -104.48% |
| Department 102 - CITY MANAGER Total: | 36,110.48 | 26,789.69 | 9,320.79 | 25.81% | 186,687.83 | 193,872.83 | -7,185.00 | -3.85% |
| Department: 103 - CITY SECRETARY | | | | | | | | |
| 51 - PERSONNEL | 13,298.75 | 14,014.00 | -715.25 | -5.38% | 70,116.60 | 73,469.78 | -3,353.18 | -4.78% |
| 52 - CONTRACTUAL | 1,958.34 | 162.89 | 1,795.45 | 91.68% | 13,042.21 | 14,189.13 | -1,146.92 | -8.79% |
| 53 - GENERAL SERVICES | 59.54 | 0.00 | 59.54 | 100.00% | 112.52 | 377.00 | -264.48 | -235.05% |
| 54 - MACHINE & EQUIPMENT MAI | 0.00 | 0.00 | 0.00 | 0.00% | 54,624.20 | 63,164.01 | -8,539.81 | -15.63% |
| Department 103 - CITY SECRETARY Total: | 15,316.63 | 14,176.89 | 1,139.74 | 7.44% | 137,895.53 | 151,199.92 | -13,304.39 | -9.65% |
| Department: 104 - EMERGENCY MANAGEMENT | | | | | | | | |
| 52 - CONTRACTUAL | 500.14 | 477.57 | 22.57 | 4.51% | 14,249.13 | 11,649.50 | 2,599.63 | 18.24% |
| Department 104 - EMERGENCY MANAGEMENT Total: | 500.14 | 477.57 | 22.57 | 4.51% | 14,249.13 | 11,649.50 | 2,599.63 | 18.24% |
| Department: 105 - MUNICIPAL BUILDING | | | | | | | | |
| 51 - PERSONNEL | 2,201.91 | 2,319.34 | -117.43 | -5.33% | 12,458.63 | 12,923.57 | -464.94 | -3.73% |
| 52 - CONTRACTUAL | 3,698.87 | 2,746.07 | 952.80 | 25.76% | 18,002.09 | 16,014.48 | 1,987.61 | 11.04% |
| 53 - GENERAL SERVICES | 320.27 | 664.67 | -344.40 | -107.53% | 4,061.24 | 2,838.20 | 1,223.04 | 30.11% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|---|------------------|------------------|---------------------------|----------------|-------------------|-------------------|---------------------------|----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| 54 - MACHINE & EQUIPMENT MAI | 108.23 | 0.00 | 108.23 | 100.00% | 17,280.75 | 17,164.37 | 116.38 | 0.67% |
| 55 - CAPITAL OUTLAY | 0.00 | 350.00 | -350.00 | 0.00% | 0.00 | 2,350.00 | -2,350.00 | 0.00% |
| Department 105 - MUNICIPAL BUILDING Total: | 6,329.28 | 6,080.08 | 249.20 | 3.94% | 51,802.71 | 51,290.62 | 512.09 | 0.99% |
| Department: 106 - MUNICIPAL SERVICES CTR | | | | | | | | |
| 51 - PERSONNEL | 4,971.37 | 1,550.14 | 3,421.23 | 68.82% | 26,211.12 | 19,437.26 | 6,773.86 | 25.84% |
| 52 - CONTRACTUAL | 2,460.46 | 1,203.16 | 1,257.30 | 51.10% | 17,307.30 | 13,593.78 | 3,713.52 | 21.46% |
| 53 - GENERAL SERVICES | 10,082.52 | -811.87 | 10,894.39 | 108.05% | 3,466.09 | -3,934.89 | 7,400.98 | 213.53% |
| 54 - MACHINE & EQUIPMENT MAI | 90.00 | 0.00 | 90.00 | 100.00% | 1,302.37 | 2,338.35 | -1,035.98 | -79.55% |
| 55 - CAPITAL OUTLAY | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 42,676.43 | -42,676.43 | 0.00% |
| Department 106 - MUNICIPAL SERVICES CTR Total: | 17,604.35 | 1,941.43 | 15,662.92 | 88.97% | 48,286.88 | 74,110.93 | -25,824.05 | -53.48% |
| Department: 107 - HUMAN RESOURCES | | | | | | | | |
| 51 - PERSONNEL | 7,234.14 | 12,532.37 | -5,298.23 | -73.24% | 57,009.93 | 76,916.28 | -19,906.35 | -34.92% |
| 52 - CONTRACTUAL | 4,176.27 | 3,641.10 | 535.17 | 12.81% | 40,863.62 | 32,042.72 | 8,820.90 | 21.59% |
| 53 - GENERAL SERVICES | 7.20 | 3.26 | 3.94 | 54.72% | 216.42 | 167.92 | 48.50 | 22.41% |
| Department 107 - HUMAN RESOURCES Total: | 11,417.61 | 16,176.73 | -4,759.12 | -41.68% | 98,089.97 | 109,126.92 | -11,036.95 | -11.25% |
| Department: 108 - DOWNTOWN | | | | | | | | |
| 51 - PERSONNEL | 5,431.29 | 5,619.91 | -188.62 | -3.47% | 28,308.73 | 30,434.26 | -2,125.53 | -7.51% |
| 52 - CONTRACTUAL | 926.52 | 242.65 | 683.87 | 73.81% | 27,208.33 | 33,825.05 | -6,616.72 | -24.32% |
| 53 - GENERAL SERVICES | 357.06 | 38.20 | 318.86 | 89.30% | 17,835.81 | 2,443.62 | 15,392.19 | 86.30% |
| Department 108 - DOWNTOWN Total: | 6,714.87 | 5,900.76 | 814.11 | 12.12% | 73,352.87 | 66,702.93 | 6,649.94 | 9.07% |
| Department: 201 - FINANCE | | | | | | | | |
| 51 - PERSONNEL | 41,344.08 | 37,289.77 | 4,054.31 | 9.81% | 219,600.53 | 225,443.47 | -5,842.94 | -2.66% |
| 52 - CONTRACTUAL | 9,947.70 | 6,259.37 | 3,688.33 | 37.08% | 56,095.73 | 39,988.11 | 16,107.62 | 28.71% |
| 53 - GENERAL SERVICES | 0.00 | 30.34 | -30.34 | 0.00% | 558.46 | 642.72 | -84.26 | -15.09% |
| 54 - MACHINE & EQUIPMENT MAI | 2,000.00 | 2,320.00 | -320.00 | -16.00% | 92,182.11 | 128,840.81 | -36,658.70 | -39.77% |
| 55 - CAPITAL OUTLAY | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 35,330.00 | -35,330.00 | 0.00% |
| 56 - BANK CHARGES | 128.25 | 0.00 | 128.25 | 100.00% | 428.25 | 486.71 | -58.46 | -13.65% |
| Department 201 - FINANCE Total: | 53,420.03 | 45,899.48 | 7,520.55 | 14.08% | 368,865.08 | 430,731.82 | -61,866.74 | -16.77% |
| Department: 203 - INFORMATION TECHNOLOGY | | | | | | | | |
| 51 - PERSONNEL | 16,593.03 | 17,415.13 | -822.10 | -4.95% | 86,755.85 | 90,572.50 | -3,816.65 | -4.40% |
| 52 - CONTRACTUAL | 170.20 | 127.99 | 42.21 | 24.80% | 3,008.13 | 3,370.96 | -362.83 | -12.06% |
| 53 - GENERAL SERVICES | 3,702.80 | -5,498.61 | 9,201.41 | 248.50% | 15,153.65 | 110,177.88 | -95,024.23 | -627.07% |
| 54 - MACHINE & EQUIPMENT MAI | 29,862.71 | 9,096.19 | 20,766.52 | 69.54% | 181,743.78 | 246,432.13 | -64,688.35 | -35.59% |
| 55 - CAPITAL OUTLAY | 0.00 | 0.00 | 0.00 | 0.00% | 52,352.03 | 0.00 | 52,352.03 | 100.00% |
| Department 203 - INFORMATION TECHNOLOGY Total: | 50,328.74 | 21,140.70 | 29,188.04 | 57.99% | 339,013.44 | 450,553.47 | -111,540.03 | -32.90% |
| Department: 204 - TAX | | | | | | | | |
| 52 - CONTRACTUAL | 234.40 | 0.00 | 234.40 | 100.00% | 118,938.04 | 183,787.62 | -64,849.58 | -54.52% |
| Department 204 - TAX Total: | 234.40 | 0.00 | 234.40 | 100.00% | 118,938.04 | 183,787.62 | -64,849.58 | -54.52% |
| Department: 301 - LEGAL COUNSEL | | | | | | | | |
| 51 - PERSONNEL | 8,194.09 | 9,130.67 | -936.58 | -11.43% | 27,544.14 | 44,163.54 | -16,619.40 | -60.34% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|---|-------------------|-------------------|---------------------------|----------------|-------------------|-------------------|---------------------------|----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| 52 - CONTRACTUAL | 0.00 | 0.00 | 0.00 | 0.00% | 250.48 | 486.14 | -235.66 | -94.08% |
| 53 - GENERAL SERVICES | 0.00 | 0.00 | 0.00 | 0.00% | 132.00 | 0.00 | 132.00 | 100.00% |
| Department 301 - LEGAL COUNSEL Total: | 8,194.09 | 9,130.67 | -936.58 | -11.43% | 27,926.62 | 44,649.68 | -16,723.06 | -59.88% |
| Department: 302 - MUNICIPAL COURT | | | | | | | | |
| 51 - PERSONNEL | 6,317.99 | 6,426.09 | -108.10 | -1.71% | 38,109.34 | 34,089.14 | 4,020.20 | 10.55% |
| 52 - CONTRACTUAL | 3,833.26 | 3,777.08 | 56.18 | 1.47% | 17,069.97 | 16,841.16 | 228.81 | 1.34% |
| 53 - GENERAL SERVICES | 2,870.91 | 2,574.73 | 296.18 | 10.32% | 10,872.06 | 12,506.78 | -1,634.72 | -15.04% |
| 54 - MACHINE & EQUIPMENT MAI | 0.00 | 0.00 | 0.00 | 0.00% | 7,604.79 | 12,225.39 | -4,620.60 | -60.76% |
| Department 302 - MUNICIPAL COURT Total: | 13,022.16 | 12,777.90 | 244.26 | 1.88% | 73,656.16 | 75,662.47 | -2,006.31 | -2.72% |
| Department: 402 - STREET MAINTENANCE | | | | | | | | |
| 51 - PERSONNEL | 30,920.38 | 28,323.82 | 2,596.56 | 8.40% | 184,080.55 | 170,731.25 | 13,349.30 | 7.25% |
| 52 - CONTRACTUAL | 16,456.26 | 32,798.61 | -16,342.35 | -99.31% | 88,393.76 | 107,552.94 | -19,159.18 | -21.67% |
| 53 - GENERAL SERVICES | 2,754.65 | 13,959.38 | -11,204.73 | -406.76% | 25,108.44 | 23,229.04 | 1,879.40 | 7.49% |
| 54 - MACHINE & EQUIPMENT MAI | 11,494.68 | 1,297.62 | 10,197.06 | 88.71% | 41,540.32 | 23,866.83 | 17,673.49 | 42.55% |
| 55 - CAPITAL OUTLAY | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 516.36 | -516.36 | 0.00% |
| Department 402 - STREET MAINTENANCE Total: | 61,625.97 | 76,379.43 | -14,753.46 | -23.94% | 339,123.07 | 325,896.42 | 13,226.65 | 3.90% |
| Department: 501 - PARKS & RECREATION | | | | | | | | |
| 51 - PERSONNEL | 77,738.70 | 79,324.89 | -1,586.19 | -2.04% | 416,882.39 | 422,421.86 | -5,539.47 | -1.33% |
| 52 - CONTRACTUAL | 14,283.18 | 17,632.80 | -3,349.62 | -23.45% | 166,492.63 | 140,275.56 | 26,217.07 | 15.75% |
| 53 - GENERAL SERVICES | 4,568.00 | 7,154.26 | -2,586.26 | -56.62% | 62,323.70 | 44,138.30 | 18,185.40 | 29.18% |
| 54 - MACHINE & EQUIPMENT MAI | 16,081.09 | 25,834.95 | -9,753.86 | -60.65% | 77,385.86 | 56,152.19 | 21,233.67 | 27.44% |
| 55 - CAPITAL OUTLAY | 0.00 | 22,223.90 | -22,223.90 | 0.00% | 78,549.47 | 178,716.39 | -100,166.92 | -127.52% |
| Department 501 - PARKS & RECREATION Total: | 112,670.97 | 152,170.80 | -39,499.83 | -35.06% | 801,634.05 | 841,704.30 | -40,070.25 | -5.00% |
| Department: 504 - LIBRARY | | | | | | | | |
| 51 - PERSONNEL | 16,957.40 | 17,772.75 | -815.35 | -4.81% | 90,085.22 | 94,930.25 | -4,845.03 | -5.38% |
| 52 - CONTRACTUAL | 2,011.50 | 1,801.39 | 210.11 | 10.45% | 8,088.98 | 8,568.60 | -479.62 | -5.93% |
| 53 - GENERAL SERVICES | 1,499.82 | 1,005.97 | 493.85 | 32.93% | 9,433.82 | 7,263.74 | 2,170.08 | 23.00% |
| 54 - MACHINE & EQUIPMENT MAI | 76.39 | 0.00 | 76.39 | 100.00% | 575.39 | 9,073.28 | -8,497.89 | -1,476.89% |
| Department 504 - LIBRARY Total: | 20,545.11 | 20,580.11 | -35.00 | -0.17% | 108,183.41 | 119,835.87 | -11,652.46 | -10.77% |
| Department: 506 - SENIOR CENTER | | | | | | | | |
| 51 - PERSONNEL | 5,259.08 | 13,012.60 | -7,753.52 | -147.43% | 31,780.18 | 66,763.26 | -34,983.08 | -110.08% |
| 52 - CONTRACTUAL | 5,008.75 | 5,141.63 | -132.88 | -2.65% | 27,305.52 | 27,153.80 | 151.72 | 0.56% |
| 53 - GENERAL SERVICES | 34,544.04 | 515.31 | 34,028.73 | 98.51% | 88,371.02 | 9,598.66 | 78,772.36 | 89.14% |
| 54 - MACHINE & EQUIPMENT MAI | 2,205.57 | 675.00 | 1,530.57 | 69.40% | 5,230.31 | 11,368.69 | -6,138.38 | -117.36% |
| 55 - CAPITAL OUTLAY | 14,183.00 | 0.00 | 14,183.00 | 100.00% | 762,445.30 | 0.00 | 762,445.30 | 100.00% |
| Department 506 - SENIOR CENTER Total: | 61,200.44 | 19,344.54 | 41,855.90 | 68.39% | 915,132.33 | 114,884.41 | 800,247.92 | 87.45% |
| Department: 507 - AQUATIC CENTER | | | | | | | | |
| 51 - PERSONNEL | 69.69 | 9.01 | 60.68 | 87.07% | 2,614.69 | 141.01 | 2,473.68 | 94.61% |
| 52 - CONTRACTUAL | 7,271.64 | 1,871.17 | 5,400.47 | 74.27% | 30,403.47 | 17,555.26 | 12,848.21 | 42.26% |
| 53 - GENERAL SERVICES | 569.65 | 0.00 | 569.65 | 100.00% | 2,631.53 | 3,260.47 | -628.94 | -23.90% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|---|---------------------|---------------------|---------------------------|-----------------|---------------------|----------------------|---------------------------|-----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| 54 - MACHINE & EQUIPMENT MAI | 2,250.00 | 0.00 | 2,250.00 | 100.00% | 4,173.92 | 2,631.72 | 1,542.20 | 36.95% |
| Department 507 - AQUATIC CENTER Total: | 10,160.98 | 1,880.18 | 8,280.80 | 81.50% | 39,823.61 | 23,588.46 | 16,235.15 | 40.77% |
| Department: 601 - FIRE DEPARTMENT | | | | | | | | |
| 51 - PERSONNEL | 327,212.18 | 371,585.24 | -44,373.06 | -13.56% | 1,627,445.83 | 2,006,277.91 | -378,832.08 | -23.28% |
| 52 - CONTRACTUAL | 13,211.83 | 8,671.41 | 4,540.42 | 34.37% | 106,290.76 | 130,251.80 | -23,961.04 | -22.54% |
| 53 - GENERAL SERVICES | 17,906.67 | 17,296.62 | 610.05 | 3.41% | 115,153.30 | 127,431.16 | -12,277.86 | -10.66% |
| 54 - MACHINE & EQUIPMENT MAI | 4,358.83 | 16,874.22 | -12,515.39 | -287.13% | 96,011.59 | 102,962.56 | -6,950.97 | -7.24% |
| 55 - CAPITAL OUTLAY | 0.00 | 0.00 | 0.00 | 0.00% | 42,793.83 | 55.19 | 42,738.64 | 99.87% |
| 57 - DEBT SERVICE | 0.00 | 137,935.91 | -137,935.91 | 0.00% | 137,935.91 | 137,935.91 | 0.00 | 0.00% |
| Department 601 - FIRE DEPARTMENT Total: | 362,689.51 | 552,363.40 | -189,673.89 | -52.30% | 2,125,631.22 | 2,504,914.53 | -379,283.31 | -17.84% |
| Department: 701 - POLICE DEPARTMENT | | | | | | | | |
| 51 - PERSONNEL | 388,214.94 | 455,271.13 | -67,056.19 | -17.27% | 2,055,127.40 | 2,414,657.75 | -359,530.35 | -17.49% |
| 52 - CONTRACTUAL | 19,248.11 | -513,954.65 | 533,202.76 | 2,770.16% | 229,254.39 | -240,364.10 | 469,618.49 | 204.85% |
| 53 - GENERAL SERVICES | 15,094.16 | 16,000.65 | -906.49 | -6.01% | 100,632.01 | 114,021.82 | -13,389.81 | -13.31% |
| 54 - MACHINE & EQUIPMENT MAI | 19,663.32 | 87,184.11 | -67,520.79 | -343.38% | 274,132.02 | 283,612.91 | -9,480.89 | -3.46% |
| 55 - CAPITAL OUTLAY | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 0.00 | 0.00 | 0.00% |
| 57 - DEBT SERVICE | 0.00 | 0.00 | 0.00 | 0.00% | 42,225.02 | 42,225.02 | 0.00 | 0.00% |
| Department 701 - POLICE DEPARTMENT Total: | 442,220.53 | 44,501.24 | 397,719.29 | 89.94% | 2,701,370.84 | 2,614,153.40 | 87,217.44 | 3.23% |
| Department: 801 - DEVELOPMENT SERVICES | | | | | | | | |
| 51 - PERSONNEL | 34,316.25 | 38,277.78 | -3,961.53 | -11.54% | 192,356.28 | 199,641.60 | -7,285.32 | -3.79% |
| 52 - CONTRACTUAL | 4,237.32 | 17,137.19 | -12,899.87 | -304.43% | 25,281.02 | 68,062.61 | -42,781.59 | -169.22% |
| 53 - GENERAL SERVICES | 9,229.71 | 17,325.41 | -8,095.70 | -87.71% | 20,847.85 | 31,594.92 | -10,747.07 | -51.55% |
| 54 - MACHINE & EQUIPMENT MAI | 0.00 | 19,968.66 | -19,968.66 | 0.00% | 17,855.25 | 36,044.59 | -18,189.34 | -101.87% |
| Department 801 - DEVELOPMENT SERVICES Total: | 47,783.28 | 92,709.04 | -44,925.76 | -94.02% | 256,340.40 | 335,343.72 | -79,003.32 | -30.82% |
| Department: 804 - GIS | | | | | | | | |
| 51 - PERSONNEL | 6,629.16 | 6,861.53 | -232.37 | -3.51% | 36,396.72 | 37,461.55 | -1,064.83 | -2.93% |
| 52 - CONTRACTUAL | 37.99 | 47.98 | -9.99 | -26.30% | 1,117.63 | 973.06 | 144.57 | 12.94% |
| 53 - GENERAL SERVICES | 0.00 | 0.00 | 0.00 | 0.00% | 202.95 | 621.58 | -418.63 | -206.27% |
| 54 - MACHINE & EQUIPMENT MAI | 30,200.00 | 0.00 | 30,200.00 | 100.00% | 31,264.94 | 1,064.94 | 30,200.00 | 96.59% |
| Department 804 - GIS Total: | 36,867.15 | 6,909.51 | 29,957.64 | 81.26% | 68,982.24 | 40,121.13 | 28,861.11 | 41.84% |
| Department: 900 - TRANSFERS | | | | | | | | |
| 59 - TRANSFER | 422,080.00 | 3,853,822.00 | -3,431,742.00 | -813.05% | 422,080.00 | 3,853,822.00 | -3,431,742.00 | -813.05% |
| Department 900 - TRANSFERS Total: | 422,080.00 | 3,853,822.00 | -3,431,742.00 | -813.05% | 422,080.00 | 3,853,822.00 | -3,431,742.00 | -813.05% |
| Expense Total: | 1,806,872.89 | 4,992,239.38 | -3,185,366.49 | -176.29% | 9,443,217.14 | 12,717,726.17 | -3,274,509.03 | -34.68% |
| Fund 01 Surplus (Deficit): | 1,432,539.63 | -427,755.38 | -1,860,295.01 | -129.86% | 5,878,051.86 | 2,613,990.39 | -3,264,061.47 | -55.53% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 Feb. Activity | 2025-2026 Feb. Activity | Feb. Variance Favorable / (Unfavorable) | Variance % | 2024-2025 YTD Activity | 2025-2026 YTD Activity | YTD Variance Favorable / (Unfavorable) | Variance % |
|---|----------------------------|----------------------------|---|----------------|---------------------------|---------------------------|--|-----------------|
| Fund: 02 - WATER AND WASTEWATER FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 41 - LICENSES AND PERMITS | 0.00 | 0.00 | 0.00 | 0.00% | 476.10 | 0.00 | -476.10 | -100.00% |
| 44 - CHARGES FOR SERVICES | 961,728.86 | 1,127,169.33 | 165,440.47 | 17.20% | 4,926,746.82 | 5,485,919.00 | 559,172.18 | 11.35% |
| 45 - OTHER REVENUE | 38,236.27 | 3,216,019.21 | 3,177,782.94 | 8,310.91% | 284,777.73 | 3,367,413.84 | 3,082,636.11 | 1,082.47% |
| 49 - TRANSFER | 108,443.00 | 194,631.00 | 86,188.00 | 79.48% | 108,443.00 | 194,631.00 | 86,188.00 | 79.48% |
| Revenue Total: | 1,108,408.13 | 4,537,819.54 | 3,429,411.41 | 309.40% | 5,320,443.65 | 9,047,963.84 | 3,727,520.19 | 70.06% |
| Expense | | | | | | | | |
| Department: 000 - UTILITIES ADMINISTRATION | | | | | | | | |
| 51 - PERSONNEL | 70,910.13 | 81,611.02 | -10,700.89 | -15.09% | 386,296.75 | 435,087.02 | -48,790.27 | -12.63% |
| 52 - CONTRACTUAL | 1,732.14 | 2,785.76 | -1,053.62 | -60.83% | 16,046.86 | 16,950.15 | -903.29 | -5.63% |
| 53 - GENERAL SERVICES | 243.30 | 669.70 | -426.40 | -175.26% | 4,499.67 | 5,187.38 | -687.71 | -15.28% |
| 54 - MACHINE & EQUIPMENT MAI | 10.00 | 0.00 | 10.00 | 100.00% | 3,776.45 | 191.37 | 3,585.08 | 94.93% |
| 55 - CAPITAL OUTLAY | 0.00 | 0.00 | 0.00 | 0.00% | -877,954.14 | 1,467.63 | -879,421.77 | -100.17% |
| Department 000 - UTILITIES ADMINISTRATION Total: | 72,895.57 | 85,066.48 | -12,170.91 | -16.70% | -467,334.41 | 458,883.55 | -926,217.96 | -198.19% |
| Department: 001 - WATER PRODUCTION | | | | | | | | |
| 51 - PERSONNEL | 20,809.76 | 21,966.43 | -1,156.67 | -5.56% | 117,840.79 | 124,400.78 | -6,559.99 | -5.57% |
| 52 - CONTRACTUAL | 27,161.81 | 41,887.50 | -14,725.69 | -54.21% | 480,638.95 | 460,551.03 | 20,087.92 | 4.18% |
| 53 - GENERAL SERVICES | 671.01 | 796.17 | -125.16 | -18.65% | 6,395.34 | 5,439.06 | 956.28 | 14.95% |
| 54 - MACHINE & EQUIPMENT MAI | 2,780.81 | 33,421.36 | -30,640.55 | -1,101.86% | 7,974.58 | 118,052.91 | -110,078.33 | -1,380.37% |
| 55 - CAPITAL OUTLAY | 0.00 | 0.00 | 0.00 | 0.00% | -14,846.85 | 29,189.67 | -44,036.52 | -296.61% |
| Department 001 - WATER PRODUCTION Total: | 51,423.39 | 98,071.46 | -46,648.07 | -90.71% | 598,002.81 | 737,633.45 | -139,630.64 | -23.35% |
| Department: 002 - WATER DISTRIBUTION | | | | | | | | |
| 51 - PERSONNEL | 16,876.79 | 13,068.65 | 3,808.14 | 22.56% | 94,511.93 | 71,375.96 | 23,135.97 | 24.48% |
| 52 - CONTRACTUAL | 9,931.00 | 9,210.79 | 720.21 | 7.25% | 46,981.88 | 52,517.56 | -5,535.68 | -11.78% |
| 53 - GENERAL SERVICES | 2,569.38 | 14,450.47 | -11,881.09 | -462.41% | 27,428.59 | 25,593.86 | 1,834.73 | 6.69% |
| 54 - MACHINE & EQUIPMENT MAI | 30,392.98 | 10,992.45 | 19,400.53 | 63.83% | 71,911.52 | 91,025.62 | -19,114.10 | -26.58% |
| 55 - CAPITAL OUTLAY | 700.00 | 0.00 | 700.00 | 100.00% | -104,298.28 | 38,995.00 | -143,293.28 | -137.39% |
| Department 002 - WATER DISTRIBUTION Total: | 60,470.15 | 47,722.36 | 12,747.79 | 21.08% | 136,535.64 | 279,508.00 | -142,972.36 | -104.71% |
| Department: 003 - CUSTOMER SERVICE | | | | | | | | |
| 51 - PERSONNEL | 12,583.59 | 24,877.12 | -12,293.53 | -97.69% | 73,302.01 | 96,302.25 | -23,000.24 | -31.38% |
| 52 - CONTRACTUAL | 362.93 | 293.52 | 69.41 | 19.12% | 12,404.67 | 5,497.35 | 6,907.32 | 55.68% |
| 53 - GENERAL SERVICES | 314.73 | 1,291.56 | -976.83 | -310.37% | 5,643.22 | 5,197.12 | 446.10 | 7.91% |
| 54 - MACHINE & EQUIPMENT MAI | 68,330.56 | 36,015.50 | 32,315.06 | 47.29% | 162,762.34 | 64,278.50 | 98,483.84 | 60.51% |
| 55 - CAPITAL OUTLAY | 0.00 | 8,736.57 | -8,736.57 | 0.00% | 0.00 | 103,462.25 | -103,462.25 | 0.00% |
| Department 003 - CUSTOMER SERVICE Total: | 81,591.81 | 71,214.27 | 10,377.54 | 12.72% | 254,112.24 | 274,737.47 | -20,625.23 | -8.12% |
| Department: 011 - WASTEWATER COLLECTION | | | | | | | | |
| 51 - PERSONNEL | 20,361.65 | 23,213.79 | -2,852.14 | -14.01% | 138,350.19 | 128,420.86 | 9,929.33 | 7.18% |
| 52 - CONTRACTUAL | 90.93 | 50.04 | 40.89 | 44.97% | 25,116.82 | 18,223.40 | 6,893.42 | 27.45% |
| 53 - GENERAL SERVICES | 1,063.75 | 1,112.58 | -48.83 | -4.59% | 9,749.62 | 7,820.07 | 1,929.55 | 19.79% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|---|----------------------|---------------------|---------------------------|----------------|----------------------|---------------------|---------------------------|----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| 54 - MACHINE & EQUIPMENT MAI | 7,815.38 | 637.67 | 7,177.71 | 91.84% | 15,834.83 | 27,658.94 | -11,824.11 | -74.67% |
| 55 - CAPITAL OUTLAY | 1,047,716.90 | 88,037.75 | 959,679.15 | 91.60% | 1,624,313.29 | 231,828.75 | 1,392,484.54 | 85.73% |
| Department 011 - WASTEWATER COLLECTION Total: | 1,077,048.61 | 113,051.83 | 963,996.78 | 89.50% | 1,813,364.75 | 413,952.02 | 1,399,412.73 | 77.17% |
| Department: 012 - WASTEWATER TREATMENT | | | | | | | | |
| 52 - CONTRACTUAL | 93,796.60 | 113,526.14 | -19,729.54 | -21.03% | 491,820.14 | 552,440.48 | -60,620.34 | -12.33% |
| 54 - MACHINE & EQUIPMENT MAI | 2,922.29 | 15,907.00 | -12,984.71 | -444.33% | 56,312.57 | 22,306.92 | 34,005.65 | 60.39% |
| 55 - CAPITAL OUTLAY | 0.00 | 23,150.00 | -23,150.00 | 0.00% | 230,263.30 | 77,995.00 | 152,268.30 | 66.13% |
| Department 012 - WASTEWATER TREATMENT Total: | 96,718.89 | 152,583.14 | -55,864.25 | -57.76% | 778,396.01 | 652,742.40 | 125,653.61 | 16.14% |
| Department: 020 - BILLING & COLLECTION | | | | | | | | |
| 51 - PERSONNEL | 6,966.79 | 5,994.46 | 972.33 | 13.96% | 35,897.39 | 39,044.88 | -3,147.49 | -8.77% |
| 52 - CONTRACTUAL | 8,518.32 | 6,569.95 | 1,948.37 | 22.87% | 41,858.24 | 59,351.70 | -17,493.46 | -41.79% |
| 53 - GENERAL SERVICES | 54,048.63 | 83,376.57 | -29,327.94 | -54.26% | 273,631.38 | 450,471.94 | -176,840.56 | -64.63% |
| 54 - MACHINE & EQUIPMENT MAI | 2,051.03 | 795.00 | 1,256.03 | 61.24% | 69,923.00 | 48,193.19 | 21,729.81 | 31.08% |
| Department 020 - BILLING & COLLECTION Total: | 71,584.77 | 96,735.98 | -25,151.21 | -35.13% | 421,310.01 | 597,061.71 | -175,751.70 | -41.72% |
| Department: 901 - NON-DEPARTMENTAL | | | | | | | | |
| 52 - CONTRACTUAL | 64,556.46 | 73,958.84 | -9,402.38 | -14.56% | 344,697.59 | 378,565.10 | -33,867.51 | -9.83% |
| 56 - BANK CHARGES | 175.00 | 175.00 | 0.00 | 0.00% | 179.47 | 175.00 | 4.47 | 2.49% |
| 57 - DEBT SERVICE | 2,528,145.75 | 2,559,694.75 | -31,549.00 | -1.25% | 2,528,145.75 | 2,559,694.75 | -31,549.00 | -1.25% |
| 59 - TRANSFER | 1,315,085.00 | 1,328,450.00 | -13,365.00 | -1.02% | 1,315,085.00 | 1,328,450.00 | -13,365.00 | -1.02% |
| Department 901 - NON-DEPARTMENTAL Total: | 3,907,962.21 | 3,962,278.59 | -54,316.38 | -1.39% | 4,188,107.81 | 4,266,884.85 | -78,777.04 | -1.88% |
| Expense Total: | 5,419,695.40 | 4,626,724.11 | 792,971.29 | 14.63% | 7,722,494.86 | 7,681,403.45 | 41,091.41 | 0.53% |
| Fund 02 Surplus (Deficit): | -4,311,287.27 | -88,904.57 | 4,222,382.70 | 97.94% | -2,402,051.21 | 1,366,560.39 | 3,768,611.60 | 156.89% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|--|-------------------|-------------------|---------------------------|----------------|-------------------|---------------------|---------------------------|-----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| Fund: 03 - SANITARY LANDFILL FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 44 - CHARGES FOR SERVICES | 139,303.21 | 170,116.57 | 30,813.36 | 22.12% | 684,849.87 | 784,608.53 | 99,758.66 | 14.57% |
| 45 - OTHER REVENUE | 10,330.61 | 11,132.41 | 801.80 | 7.76% | 58,143.23 | 998,764.90 | 940,621.67 | 1,617.77% |
| Revenue Total: | 149,633.82 | 181,248.98 | 31,615.16 | 21.13% | 742,993.10 | 1,783,373.43 | 1,040,380.33 | 140.03% |
| Expense | | | | | | | | |
| Department: 030 - LANDFILL | | | | | | | | |
| 51 - PERSONNEL | 25,355.96 | 26,783.16 | -1,427.20 | -5.63% | 138,789.75 | 143,730.09 | -4,940.34 | -3.56% |
| 52 - CONTRACTUAL | 1,630.32 | 3,679.19 | -2,048.87 | -125.67% | 59,166.85 | 48,437.89 | 10,728.96 | 18.13% |
| 53 - GENERAL SERVICES | 6,540.55 | 8,546.12 | -2,005.57 | -30.66% | 43,350.97 | 43,205.51 | 145.46 | 0.34% |
| 54 - MACHINE & EQUIPMENT MAI | 85,872.26 | 4,287.40 | 81,584.86 | 95.01% | 126,265.81 | 15,326.20 | 110,939.61 | 87.86% |
| 55 - CAPITAL OUTLAY | 0.00 | 19,300.00 | -19,300.00 | 0.00% | 24,950.00 | 1,037,403.27 | -1,012,453.27 | -4,057.93% |
| 57 - DEBT SERVICE | 0.00 | 0.00 | 0.00 | 0.00% | 196,619.67 | 196,619.67 | 0.00 | 0.00% |
| 59 - TRANSFER | 93,162.00 | 189,858.00 | -96,696.00 | -103.79% | 93,162.00 | 189,858.00 | -96,696.00 | -103.79% |
| Department 030 - LANDFILL Total: | 212,561.09 | 252,453.87 | -39,892.78 | -18.77% | 682,305.05 | 1,674,580.63 | -992,275.58 | -145.43% |
| Expense Total: | 212,561.09 | 252,453.87 | -39,892.78 | -18.77% | 682,305.05 | 1,674,580.63 | -992,275.58 | -145.43% |
| Fund 03 Surplus (Deficit): | -62,927.27 | -71,204.89 | -8,277.62 | -13.15% | 60,688.05 | 108,792.80 | 48,104.75 | 79.27% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|--|------------------|-------------------|---------------------------|----------------|-------------------|-------------------|---------------------------|------------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| Fund: 04 - AIRPORT FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 44 - CHARGES FOR SERVICES | 6,245.95 | 8,708.77 | 2,462.82 | 39.43% | 88,934.04 | 72,073.66 | -16,860.38 | -18.96% |
| 45 - OTHER REVENUE | 0.00 | 0.00 | 0.00 | 0.00% | 4.00 | 35,768.75 | 35,764.75 | 894,118.75% |
| 49 - TRANSFER | 79,134.00 | 597,064.00 | 517,930.00 | 654.50% | 79,134.00 | 597,064.00 | 517,930.00 | 654.50% |
| Revenue Total: | 85,379.95 | 605,772.77 | 520,392.82 | 609.50% | 168,072.04 | 704,906.41 | 536,834.37 | 319.41% |
| Expense | | | | | | | | |
| Department: 040 - AIRPORT | | | | | | | | |
| 51 - PERSONNEL | 5,854.79 | 6,523.48 | -668.69 | -11.42% | 30,705.08 | 35,435.99 | -4,730.91 | -15.41% |
| 52 - CONTRACTUAL | 6,452.97 | 5,579.01 | 873.96 | 13.54% | 38,482.00 | 38,654.39 | -172.39 | -0.45% |
| 53 - GENERAL SERVICES | 0.00 | 145.43 | -145.43 | 0.00% | 90.75 | 544.19 | -453.44 | -499.66% |
| 54 - MACHINE & EQUIPMENT MAI | 2,873.95 | 2,458.49 | 415.46 | 14.46% | 21,088.99 | 37,108.14 | -16,019.15 | -75.96% |
| 55 - CAPITAL OUTLAY | 13,845.21 | 14,574.31 | -729.10 | -5.27% | 60,559.15 | 32,917.22 | 27,641.93 | 45.64% |
| Department 040 - AIRPORT Total: | 29,026.92 | 29,280.72 | -253.80 | -0.87% | 150,925.97 | 144,659.93 | 6,266.04 | 4.15% |
| Expense Total: | 29,026.92 | 29,280.72 | -253.80 | -0.87% | 150,925.97 | 144,659.93 | 6,266.04 | 4.15% |
| Fund 04 Surplus (Deficit): | 56,353.03 | 576,492.05 | 520,139.02 | 923.00% | 17,146.07 | 560,246.48 | 543,100.41 | 3,167.49% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|---|--------------------|--------------------|---------------------------|----------------|--------------------|--------------------|---------------------------|----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| Fund: 05 - STORM WATER DRAINAGE FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 41 - LICENSES AND PERMITS | 0.00 | 0.00 | 0.00 | 0.00% | 10,114.31 | 5,589.41 | -4,524.90 | -44.74% |
| 44 - CHARGES FOR SERVICES | 121,007.35 | 124,495.38 | 3,488.03 | 2.88% | 570,559.37 | 625,360.20 | 54,800.83 | 9.60% |
| 45 - OTHER REVENUE | 4,657.54 | 3,954.85 | -702.69 | -15.09% | 25,729.05 | 21,930.97 | -3,798.08 | -14.76% |
| Revenue Total: | 125,664.89 | 128,450.23 | 2,785.34 | 2.22% | 606,402.73 | 652,880.58 | 46,477.85 | 7.66% |
| Expense | | | | | | | | |
| Department: 050 - STORM WATER DRAINAGE | | | | | | | | |
| 52 - CONTRACTUAL | 0.00 | 4,823.72 | -4,823.72 | 0.00% | 780.65 | 25,514.77 | -24,734.12 | -3,168.40% |
| 54 - MACHINE & EQUIPMENT MAI | 368.20 | 0.00 | 368.20 | 100.00% | 368.20 | 381.02 | -12.82 | -3.48% |
| 55 - CAPITAL OUTLAY | 20,443.00 | 0.00 | 20,443.00 | 100.00% | 40,193.00 | 6,786.00 | 33,407.00 | 83.12% |
| 56 - BANK CHARGES | 175.00 | 175.00 | 0.00 | 0.00% | 175.00 | 175.00 | 0.00 | 0.00% |
| 57 - DEBT SERVICE | 415,523.00 | 424,135.00 | -8,612.00 | -2.07% | 415,523.00 | 424,135.00 | -8,612.00 | -2.07% |
| 59 - TRANSFER | 337,787.00 | 440,248.00 | -102,461.00 | -30.33% | 337,787.00 | 440,248.00 | -102,461.00 | -30.33% |
| Department 050 - STORM WATER DRAINAGE Total: | 774,296.20 | 869,381.72 | -95,085.52 | -12.28% | 794,826.85 | 897,239.79 | -102,412.94 | -12.88% |
| Expense Total: | 774,296.20 | 869,381.72 | -95,085.52 | -12.28% | 794,826.85 | 897,239.79 | -102,412.94 | -12.88% |
| Fund 05 Surplus (Deficit): | -648,631.31 | -740,931.49 | -92,300.18 | -14.23% | -188,424.12 | -244,359.21 | -55,935.09 | -29.69% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|--|-------------------|-------------------|---------------------------|----------------|-------------------|-------------------|---------------------------|---------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| Fund: 07 - HOTEL OCCUPANCY TAX FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 40 - TAXES | 60,354.16 | 61,285.91 | 931.75 | 1.54% | 276,012.67 | 302,308.45 | 26,295.78 | 9.53% |
| 44 - CHARGES FOR SERVICES | 1,025.00 | 485.00 | -540.00 | -52.68% | 1,025.00 | 1,810.00 | 785.00 | 76.59% |
| 45 - OTHER REVENUE | 6,460.63 | 7,074.56 | 613.93 | 9.50% | 35,880.52 | 37,148.47 | 1,267.95 | 3.53% |
| Revenue Total: | 67,839.79 | 68,845.47 | 1,005.68 | 1.48% | 312,918.19 | 341,266.92 | 28,348.73 | 9.06% |
| Expense | | | | | | | | |
| Department: 070 - TOURISM | | | | | | | | |
| 51 - PERSONNEL | 5,156.94 | 5,407.16 | -250.22 | -4.85% | 26,274.76 | 27,803.61 | -1,528.85 | -5.82% |
| 52 - CONTRACTUAL | 1,103.05 | 3,634.98 | -2,531.93 | -229.54% | 75,747.44 | 42,883.15 | 32,864.29 | 43.39% |
| 53 - GENERAL SERVICES | 138.45 | 120.30 | 18.15 | 13.11% | 362.62 | 156.27 | 206.35 | 56.91% |
| 54 - MACHINE & EQUIPMENT MAI | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 4,694.93 | -4,694.93 | 0.00% |
| 55 - CAPITAL OUTLAY | 0.00 | 0.00 | 0.00 | 0.00% | 13,469.09 | 0.00 | 13,469.09 | 100.00% |
| 57 - DEBT SERVICE | 100,375.00 | 104,400.00 | -4,025.00 | -4.01% | 100,375.00 | 104,400.00 | -4,025.00 | -4.01% |
| 58 - GRANT DISBURSEMENTS | 2,537.59 | 1,144.93 | 1,392.66 | 54.88% | 11,446.49 | 37,388.75 | -25,942.26 | -226.64% |
| Department 070 - TOURISM Total: | 109,311.03 | 114,707.37 | -5,396.34 | -4.94% | 227,675.40 | 217,326.71 | 10,348.69 | 4.55% |
| Expense Total: | 109,311.03 | 114,707.37 | -5,396.34 | -4.94% | 227,675.40 | 217,326.71 | 10,348.69 | 4.55% |
| Fund 07 Surplus (Deficit): | -41,471.24 | -45,861.90 | -4,390.66 | -10.59% | 85,242.79 | 123,940.21 | 38,697.42 | 45.40% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|---|--------------------|--------------------|---------------------------|-----------------|---------------------|--------------------|---------------------------|-----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| Fund: 08 - DEBT SERVICE FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 40 - TAXES | 6,227.85 | 47,884.91 | 41,657.06 | 668.88% | 294,568.17 | 265,410.09 | -29,158.08 | -9.90% |
| 45 - OTHER REVENUE | 943.36 | 804.80 | -138.56 | -14.69% | 4,465.01 | 4,308.15 | -156.86 | -3.51% |
| 49 - TRANSFER | 823,050.00 | 0.00 | -823,050.00 | -100.00% | 823,050.00 | 0.00 | -823,050.00 | -100.00% |
| Revenue Total: | 830,221.21 | 48,689.71 | -781,531.50 | -94.14% | 1,122,083.18 | 269,718.24 | -852,364.94 | -75.96% |
| Expense | | | | | | | | |
| Department: 080 - DEBT SERVICE | | | | | | | | |
| 57 - DEBT SERVICE | 933,750.00 | 949,775.00 | -16,025.00 | -1.72% | 933,750.00 | 949,775.00 | -16,025.00 | -1.72% |
| Department 080 - DEBT SERVICE Total: | 933,750.00 | 949,775.00 | -16,025.00 | -1.72% | 933,750.00 | 949,775.00 | -16,025.00 | -1.72% |
| Expense Total: | 933,750.00 | 949,775.00 | -16,025.00 | -1.72% | 933,750.00 | 949,775.00 | -16,025.00 | -1.72% |
| Fund 08 Surplus (Deficit): | -103,528.79 | -901,085.29 | -797,556.50 | -770.37% | 188,333.18 | -680,056.76 | -868,389.94 | -461.09% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|---|-------------------|---------------------|---------------------------|-------------------|---------------------|---------------------|---------------------------|-------------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| Fund: 10 - CAPITAL PROJECTS FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 41 - LICENSES AND PERMITS | 0.00 | 0.00 | 0.00 | 0.00% | 420.00 | 0.00 | -420.00 | -100.00% |
| 44 - CHARGES FOR SERVICES | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 2,194.50 | 2,194.50 | 0.00% |
| 45 - OTHER REVENUE | 19,852.48 | 16,009.01 | -3,843.47 | -19.36% | 124,777.81 | 75,894.68 | -48,883.13 | -39.18% |
| 49 - TRANSFER | 342,946.00 | 3,256,758.00 | 2,913,812.00 | 849.64% | 342,946.00 | 3,256,758.00 | 2,913,812.00 | 849.64% |
| Revenue Total: | 362,798.48 | 3,272,767.01 | 2,909,968.53 | 802.09% | 468,143.81 | 3,334,847.18 | 2,866,703.37 | 612.36% |
| Expense | | | | | | | | |
| Department: 402 - STREET MAINTENANCE | | | | | | | | |
| 55 - CAPITAL OUTLAY | 0.00 | 1,980.57 | -1,980.57 | 0.00% | -566,666.35 | 35,318.44 | -601,984.79 | -106.23% |
| Department 402 - STREET MAINTENANCE Total: | 0.00 | 1,980.57 | -1,980.57 | 0.00% | -566,666.35 | 35,318.44 | -601,984.79 | -106.23% |
| Department: 501 - PARKS & RECREATION | | | | | | | | |
| 55 - CAPITAL OUTLAY | 5,000.00 | 112,826.74 | -107,826.74 | -2,156.53% | 22,250.00 | 278,025.44 | -255,775.44 | -1,149.55% |
| Department 501 - PARKS & RECREATION Total: | 5,000.00 | 112,826.74 | -107,826.74 | -2,156.53% | 22,250.00 | 278,025.44 | -255,775.44 | -1,149.55% |
| Expense Total: | 5,000.00 | 114,807.31 | -109,807.31 | -2,196.15% | -544,416.35 | 313,343.88 | -857,760.23 | -157.56% |
| Fund 10 Surplus (Deficit): | 357,798.48 | 3,157,959.70 | 2,800,161.22 | 782.61% | 1,012,560.16 | 3,021,503.30 | 2,008,943.14 | 198.40% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|---|---------------|---------------|------------------------------|---------------|-----------------|-------------------|------------------------------|-----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| Fund: 11 - CHILD SAFETY FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 42 - FINES AND FORFEITURES | 594.04 | 705.72 | 111.68 | 18.80% | 2,808.37 | 3,264.50 | 456.13 | 16.24% |
| 45 - OTHER REVENUE | 54.77 | 64.33 | 9.56 | 17.45% | 285.54 | 329.96 | 44.42 | 15.56% |
| Revenue Total: | 648.81 | 770.05 | 121.24 | 18.69% | 3,093.91 | 3,594.46 | 500.55 | 16.18% |
| Expense | | | | | | | | |
| Department: 110 - CHILD SAFETY | | | | | | | | |
| 52 - CONTRACTUAL | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 21,645.00 | -21,645.00 | 0.00% |
| Department 110 - CHILD SAFETY Total: | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 21,645.00 | -21,645.00 | 0.00% |
| Expense Total: | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 21,645.00 | -21,645.00 | 0.00% |
| Fund 11 Surplus (Deficit): | 648.81 | 770.05 | 121.24 | 18.69% | 3,093.91 | -18,050.54 | -21,144.45 | -683.42% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|---|-----------------|-----------------|---------------------------|----------------|-----------------|------------------|---------------------------|-----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| Fund: 12 - COURT TECHNOLOGY FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 42 - FINES AND FORFEITURES | 1,764.75 | 1,319.00 | -445.75 | -25.26% | 7,649.25 | 5,402.22 | -2,247.03 | -29.38% |
| 45 - OTHER REVENUE | 179.38 | 194.16 | 14.78 | 8.24% | 956.51 | 1,043.79 | 87.28 | 9.12% |
| Revenue Total: | 1,944.13 | 1,513.16 | -430.97 | -22.17% | 8,605.76 | 6,446.01 | -2,159.75 | -25.10% |
| Expense | | | | | | | | |
| Department: 120 - COURT TECHNOLOGY | | | | | | | | |
| 54 - MACHINE & EQUIPMENT MAI | 0.00 | 0.00 | 0.00 | 0.00% | 884.00 | 7,708.80 | -6,824.80 | -772.04% |
| Department 120 - COURT TECHNOLOGY Total: | 0.00 | 0.00 | 0.00 | 0.00% | 884.00 | 7,708.80 | -6,824.80 | -772.04% |
| Expense Total: | 0.00 | 0.00 | 0.00 | 0.00% | 884.00 | 7,708.80 | -6,824.80 | -772.04% |
| Fund 12 Surplus (Deficit): | 1,944.13 | 1,513.16 | -430.97 | -22.17% | 7,721.76 | -1,262.79 | -8,984.55 | -116.35% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|--|-----------------|---------------|---------------------------|----------------|------------------|-----------------|---------------------------|----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| Fund: 13 - PUBLIC SAFETY FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 43 - INTERGOVERNMENTAL | 3,962.28 | 0.00 | -3,962.28 | -100.00% | 3,962.28 | 0.00 | -3,962.28 | -100.00% |
| 45 - OTHER REVENUE | 456.54 | 586.97 | 130.43 | 28.57% | 2,613.72 | 3,323.45 | 709.73 | 27.15% |
| Revenue Total: | 4,418.82 | 586.97 | -3,831.85 | -86.72% | 6,576.00 | 3,323.45 | -3,252.55 | -49.46% |
| Expense | | | | | | | | |
| Department: 130 - PUBLIC SAFETY | | | | | | | | |
| 52 - CONTRACTUAL | 3,283.00 | 0.00 | 3,283.00 | 100.00% | 8,633.13 | 350.00 | 8,283.13 | 95.95% |
| 53 - GENERAL SERVICES | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 588.17 | -588.17 | 0.00% |
| 55 - CAPITAL OUTLAY | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 | 0.00 | 0.00 | 0.00% |
| Department 130 - PUBLIC SAFETY Total: | 3,283.00 | 0.00 | 3,283.00 | 100.00% | 8,633.13 | 938.17 | 7,694.96 | 89.13% |
| Expense Total: | 3,283.00 | 0.00 | 3,283.00 | 100.00% | 8,633.13 | 938.17 | 7,694.96 | 89.13% |
| Fund 13 Surplus (Deficit): | 1,135.82 | 586.97 | -548.85 | -48.32% | -2,057.13 | 2,385.28 | 4,442.41 | 215.95% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|--|--------------------|-------------------|---------------------------|----------------|--------------------|-------------------|---------------------------|----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| Fund: 20 - TAX INCREMENT FINANCING FUND | | | | | | | | |
| Revenue | | | | | | | | |
| 40 - TAXES | 197,906.20 | 229,200.19 | 31,293.99 | 15.81% | 376,828.47 | 428,174.16 | 51,345.69 | 13.63% |
| 45 - OTHER REVENUE | 536.58 | 857.69 | 321.11 | 59.84% | 2,678.02 | 5,940.02 | 3,262.00 | 121.81% |
| Revenue Total: | 198,442.78 | 230,057.88 | 31,615.10 | 15.93% | 379,506.49 | 434,114.18 | 54,607.69 | 14.39% |
| Expense | | | | | | | | |
| Department: 205 - TAX INCREMENT FINANCING | | | | | | | | |
| 59 - TRANSFER | 823,050.00 | 0.00 | 823,050.00 | 100.00% | 823,050.00 | 0.00 | 823,050.00 | 100.00% |
| Department 205 - TAX INCREMENT FINANCING Total: | 823,050.00 | 0.00 | 823,050.00 | 100.00% | 823,050.00 | 0.00 | 823,050.00 | 100.00% |
| Expense Total: | 823,050.00 | 0.00 | 823,050.00 | 100.00% | 823,050.00 | 0.00 | 823,050.00 | 100.00% |
| Fund 20 Surplus (Deficit): | -624,607.22 | 230,057.88 | 854,665.10 | 136.83% | -443,543.51 | 434,114.18 | 877,657.69 | 197.87% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

| Categor... | 2024-2025 | 2025-2026 | Feb. Variance | Variance % | 2024-2025 | 2025-2026 | YTD Variance | Variance % |
|-------------------------------------|----------------------|---------------------|---------------------------|----------------|---------------------|---------------------|---------------------------|----------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | | YTD Activity | YTD Activity | Favorable / (Unfavorable) | |
| Fund: 79 - SEDA | | | | | | | | |
| Revenue | | | | | | | | |
| 40 - TAXES | 76,367.14 | 79,276.65 | 2,909.51 | 3.81% | 337,892.67 | 362,719.44 | 24,826.77 | 7.35% |
| 45 - OTHER REVENUE | 1,524.24 | 1,515.68 | -8.56 | -0.56% | 11,079.20 | 9,941.17 | -1,138.03 | -10.27% |
| Revenue Total: | 77,891.38 | 80,792.33 | 2,900.95 | 3.72% | 348,971.87 | 372,660.61 | 23,688.74 | 6.79% |
| Expense | | | | | | | | |
| Department: 790 - SEDA | | | | | | | | |
| 51 - PERSONNEL | 25,982.72 | 29,021.55 | -3,038.83 | -11.70% | 141,500.26 | 150,175.54 | -8,675.28 | -6.13% |
| 52 - CONTRACTUAL | 6,214.85 | 22,175.69 | -15,960.84 | -256.82% | 30,822.65 | 66,098.36 | -35,275.71 | -114.45% |
| 53 - GENERAL SERVICES | 985.04 | 1,500.32 | -515.28 | -52.31% | 86,350.83 | 9,370.51 | 76,980.32 | 89.15% |
| 54 - MACHINE & EQUIPMENT MAI | 1,372.39 | 410.00 | 962.39 | 70.13% | 3,461.23 | 10,898.83 | -7,437.60 | -214.88% |
| 55 - CAPITAL OUTLAY | -303.00 | 0.00 | -303.00 | -100.00% | 17,057.33 | 44,929.37 | -27,872.04 | -163.40% |
| 58 - GRANT DISBURSEMENTS | 0.00 | 900.00 | -900.00 | 0.00% | 50,063.56 | 53,842.62 | -3,779.06 | -7.55% |
| 59 - TRANSFER | 2,500.00 | 2,500.00 | 0.00 | 0.00% | 12,500.00 | 12,500.00 | 0.00 | 0.00% |
| Department 790 - SEDA Total: | 36,752.00 | 56,507.56 | -19,755.56 | -53.75% | 341,755.86 | 347,815.23 | -6,059.37 | -1.77% |
| Expense Total: | 36,752.00 | 56,507.56 | -19,755.56 | -53.75% | 341,755.86 | 347,815.23 | -6,059.37 | -1.77% |
| Fund 79 Surplus (Deficit): | 41,139.38 | 24,284.77 | -16,854.61 | -40.97% | 7,216.01 | 24,845.38 | 17,629.37 | 244.31% |
| Total Surplus (Deficit): | -3,900,893.82 | 1,715,921.06 | 5,616,814.88 | 143.99% | 4,223,977.82 | 7,312,649.11 | 3,088,671.29 | 73.12% |

Prior-Year Comparative Income Statement

For the Period Ending 02/28/2026

Fund Summary

| Fund | 2024-2025 | | Feb. Variance | | 2025-2026 | | YTD Variance | |
|---------------------------------|----------------------|---------------------|------------------------------|----------------|---------------------|---------------------|------------------------------|---------------|
| | Feb. Activity | Feb. Activity | Favorable / (Unfavorable) | Variance % | YTD Activity | YTD Activity | Favorable / (Unfavorable) | Variance % |
| 01 - GENERAL FUND | 1,432,539.63 | -427,755.38 | -1,860,295.01 | -129.86% | 5,878,051.86 | 2,613,990.39 | -3,264,061.47 | -55.53% |
| 02 - WATER AND WASTEWA... | -4,311,287.27 | -88,904.57 | 4,222,382.70 | 97.94% | -2,402,051.21 | 1,366,560.39 | 3,768,611.60 | 156.89% |
| 03 - SANITARY LANDFILL FU... | -62,927.27 | -71,204.89 | -8,277.62 | -13.15% | 60,688.05 | 108,792.80 | 48,104.75 | 79.27% |
| 04 - AIRPORT FUND | 56,353.03 | 576,492.05 | 520,139.02 | 923.00% | 17,146.07 | 560,246.48 | 543,100.41 | 3,167.49% |
| 05 - STORM WATER DRAINA... | -648,631.31 | -740,931.49 | -92,300.18 | -14.23% | -188,424.12 | -244,359.21 | -55,935.09 | -29.69% |
| 07 - HOTEL OCCUPANCY TAX ... | -41,471.24 | -45,861.90 | -4,390.66 | -10.59% | 85,242.79 | 123,940.21 | 38,697.42 | 45.40% |
| 08 - DEBT SERVICE FUND | -103,528.79 | -901,085.29 | -797,556.50 | -770.37% | 188,333.18 | -680,056.76 | -868,389.94 | -461.09% |
| 10 - CAPITAL PROJECTS FUND | 357,798.48 | 3,157,959.70 | 2,800,161.22 | 782.61% | 1,012,560.16 | 3,021,503.30 | 2,008,943.14 | 198.40% |
| 11 - CHILD SAFETY FUND | 648.81 | 770.05 | 121.24 | 18.69% | 3,093.91 | -18,050.54 | -21,144.45 | -683.42% |
| 12 - COURT TECHNOLOGY F... | 1,944.13 | 1,513.16 | -430.97 | -22.17% | 7,721.76 | -1,262.79 | -8,984.55 | -116.35% |
| 13 - PUBLIC SAFETY FUND | 1,135.82 | 586.97 | -548.85 | -48.32% | -2,057.13 | 2,385.28 | 4,442.41 | 215.95% |
| 20 - TAX INCREMENT FINANC... | -624,607.22 | 230,057.88 | 854,665.10 | 136.83% | -443,543.51 | 434,114.18 | 877,657.69 | 197.87% |
| 79 - SEDA | 41,139.38 | 24,284.77 | -16,854.61 | -40.97% | 7,216.01 | 24,845.38 | 17,629.37 | 244.31% |
| Total Surplus (Deficit): | -3,900,893.82 | 1,715,921.06 | 5,616,814.88 | 143.99% | 4,223,977.82 | 7,312,649.11 | 3,088,671.29 | 73.12% |



CITY COUNCIL
MEETING MINUTES
REGULAR MEETING
MARCH 3, 2026

CALL TO ORDER

The City Council of the City of Stephenville, Texas, convened on Tuesday, March 3, 2026, in the City Hall Council Chambers, 298 West Washington Street, for the purpose of a Regular City Council Meeting, with the meeting being open to the public and notice of said meeting, giving the date, time, place and subject thereof, having been posted as prescribed by Chapter 551, Government Code, Vernon's Texas Codes Annotated, with the following members present, to wit:

Council Present:

City Council Mayor Lonn Reisman
City Council Place 1 LeAnn Durfey
City Council Place 2 Gerald Cook
City Council Place 4 Dean Parr
City Council Place 5 Maddie Smith
City Council Place 6 David Baskett
City Council Place 7 Brandon Greenhaw
City Council Place 8 Alan Nix

Council Absent:

Others Attending:

Jason King, City Manager
Randy Thomas, City Attorney
Sarah Lockenour, City Secretary

Mayor Lonn Reisman called the Regular Meeting to order at 05:30 PM.

PLEDGES OF ALLEGIANCE

Council Member David Baskett led the pledges to the flags of the United States and the State of Texas.

INVOCATION

Minister David Bearden from Graham Street Church of Christ voiced the invocation.

PRESENTATIONS AND RECOGNITIONS

1. **Proclamation Recognizing the 2025 Tarleton State University Football Team**

The Mayor read the following proclamation on behalf of the Stephenville City Council:

WHEREAS, Tarleton State University is a vibrant institution whose athletic programs bring pride, recognition, and unity to its students, alumni, and community; and
WHEREAS, during the 2025 college football season, the Tarleton State University Football Team achieved a remarkable 12-2 overall record, including a 7-1 mark in United Athletic Conference (UAC) play, earning a share of the conference championship and cementing their status as one of the nation's premier Football Championship Subdivision (FCS) programs; and
WHEREAS, the Texans compiled a powerful offensive and defensive performance throughout the season, averaging 42.43 points per game while allowing just 18.57 points per game, and outgaining opponents by more than 6,400 yards of total offense versus 4,640 for opponents; and
WHEREAS, Tarleton State's 2025 campaign featured signature victories, including a historic 30-27 double-overtime upset at Army — marking one of the most memorable wins in program history — and multiple dominant performances against FCS foes;
WHEREAS, the Texans achieved a program-best national ranking, finishing the season No. 6 in both the Stats Perform Top 25 and AFCA FCS Coaches Polls, the highest final ranking in the program's NCAA Division I era; and
WHEREAS, the Texans became the first team in 37 years to reach the FCS Playoffs Quarterfinals in one of their first two years NCAA Division I postseason eligibility, and one of four Texas programs to make the FCS Playoffs Quarterfinals in its first or second playoff appearance; and
WHEREAS, the leadership provided by Head Coach Todd Whitten and his coaching staff fostered a culture of discipline, resilience, and competitive excellence, inspiring student-athletes to succeed both on the field and in the classroom; and
WHEREAS, the Texan Cheer and Texan Stars organizations have demonstrated outstanding spirit, dedication, and community pride through their unwavering support of local student-athletes, teams, and school activities, contributing significantly to the encouragement, and morale;
WHEREAS, the accomplishments of the 2025 Tarleton State University Football Team brought great pride to the University, the City of Stephenville, the surrounding region, and the broader college football community;
NOW, THEREFORE, BE IT PROCLAIMED by the Stephenville City Council that we do hereby honor and commend the 2025 Tarleton State University Football Team for their outstanding performance, historic achievements, and exemplary representation of Tarleton State University and the community they serve.
BE IT FURTHER PROCLAIMED that the City extends its heartfelt appreciation to the players, coaches, support staff, families, and fans whose dedication and spirit contributed to a memorable and successful 2025 season.

The proclamation was received by Head Coach Todd Whitten and Tarleton State University football coaches and staff.

2. **Stephenville Police Department Texas Best Practice Accreditation Recognition**

Texas Police Chiefs Association Foundation, Inc. presented the Stephenville Police Department with the Texas Law Enforcement Best Practice Accreditation Program Certificate of Accreditation.

CITIZENS GENERAL DISCUSSION

No one addressed the Council at this time.

REGULAR AGENDA

9. Consider Approval of Fee Waiver Request for Mural Sign Project

Director of Development Services Steve Killen presented the item to Council.

Local artist Stephanie Beach working with Tarleton State university requests fee waivers for a mural project for Tarleton State University students. She is requesting fee waivers for the project.

MOTION by David Baskett, second by LeAnn Durfey, to approve the fee waiver request for the Mural Sign Project as requested. MOTION CARRIED unanimously.

3. Consider Approval of an Assessment Resolution for Steering Committee of Cities Served by Oncor

City Manager Jason King presented this item to Council.

The City of Stephenville is a member of a 174-member city coalition known as the Steering Committee of Cities Served by Oncor (Steering Committee). The resolution approves the assessment of a ten cent (\$0.10) per capita fee to fund the activities of the Steering Committee.

The Steering Committee undertakes activities on behalf of municipalities for which it needs funding support from its members. Municipalities have original jurisdiction over the electric distribution rates and services within the city. The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s. Empowered by city resolutions and funded by per capita assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, ERCOT, the courts, and the Legislature on electric utility regulation matters for over three decades.

The Steering Committee is actively involved in rate cases, appeals, rule makings, and legislative efforts impacting the rates charged by Oncor Electric Delivery Company, LLC within the City. Steering Committee representation is also strong at ERCOT. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that the Steering Committee be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

MOTION by Gerald Cook, second by Maddie Smith, to approve Resolution No. 2026-R-05 for Steering Committee of Cities Served by Oncor. MOTION CARRIED unanimously.

4. Consider Approval of Notice of General Election for May 2, 2026

City Secretary Sarah Lockenour presented this item to Council.

Staff requests Council approve the Notice of Election, per Texas Election Code Chapter 4, Section 4.008, for the City of Stephenville General Election to be held on Saturday, May 2, 2026, for the purpose of electing the following:

- Council Member Place 2
- Council Member Place 4
- Council Member Place 6

Council Member Place 8
Mayor

MOTION by Maddie Smith, second by David Baskett, approving the Notice of General Election for May 2, 2026, as presented. MOTION CARRIED unanimously.

5. Consider Approval of Order of Cancellation or Notice of Special Election May 2, 2026

City Secretary Sarah Lockenour presented this item to Council.

The Filing Period for the 2026 Special Election ended March 3, 2026, 5:00 PM. No additional applications for a place on the ballot were received therefore an Order of Cancellation will need to be issued.

Staff requests Council approve an Order of Cancellation of Election, per Texas Election Code Section 2.053(a), for the City of Stephenville Special Election to be held on Saturday, May 2, 2026, for the purpose of electing the following:

Council Member Place 3 (unexpired term)

Council Member Place 7 (unexpired term)

MOTION by Maddie Smith, second by Brandon Greenhaw, to approve the Order of Cancellation for the Stephenville Special Election to be held May 2, 2026, as presented. MOTION CARRIED unanimously.

6. Consider Approval of Expenditure for Motorola/Spillman CAD/RMS Annual Maintenance Cost

Stephenville Police Department Chief Dan Harris presented this item to Council.

In March 2021, the Police Department went live with a new Computer Aided Dispatch/Records Management (CAD/RMS) system called Spillman Flex by Motorola. This is a budgeted line item. The annual cost this year is \$65,926.52 and includes both Police and Fire Department modules.

The expenditure amount of \$65,926.52 is more than the budgeted amount of \$61,613.56. The additional amount will be covered by budget savings from other budgeted items.

MOTION by Alan Nix, second by Gerald Cook, to approve the Motorola/Spillman CAD/RMS Annual Maintenance cost of \$61,613.56 as presented. MOTION CARRIED unanimously.

7. Consider Award of Budgeted Riverside Drainage Improvements Project - Phase II

Public Works Director Nick Williams presented this item to Council.

The first phase of the Riverside Drainage Improvements was completed last year per a utility easement agreement for the Eastside Sewer project where stormwater drainage improvements were installed near the confluence of Riverside Drive, Clifton Street, and Glen Rose Road. This second phase of the Riverside Drainage Improvements Project serves to improve the existing natural drainage and further alleviate area flooding.

The BuyBoard proposal received from B&L Construction Company agrees to install stormwater piping and construct drainage inlets. The work is anticipated to be completed within 90-calendar days following the award. The approved FY25-26 budget allocated \$80,000.00 specifically for construction of this project. The agreement provides a construction cost of \$72,800.00.

Staff recommends approval of the agreement with B&L Construction Company of Hico, Texas to construct budgeted stormwater drainage improvements along Riverside Drive.

MOTION by Alan Nix, second by David Baskett, to award budgeted Riverside Drainage Improvements Project - Phase II to B&L Construction Company as presented. MOTION CARRIED unanimously.

8. Consider Approval of Interlocal Agreement with the City of Hamilton, Texas

Director of Development Services Steve Killen presented the item to Council.

MOTION by Maddie Smith, second by LeAnn Durfey, to approve the Interlocal Agreement with the City of Hamilton, Texas for Code Enforcement Officer training for the City of Hamilton. MOTION CARRIED unanimously.

PLANNING AND ZONING COMMISSION

10. Application No.: RZ 9493

Justin Scrivner is Requesting a Rezone for Property Located at 3181 Bob White, Parcel R39982, being BLK 1, Lot 10 & 11, of the S5530 QUAIL RUN ADDITION to the City of Stephenville, Erath County, Texas from Single-Family Residential (R-1) to Integrated Housing (R-2.5)

Director of Development Services Steve Killen presented the item to Council.

Mr. Scrivner is requesting a rezone to the "highest and best use" with the intention of building single-family homes. This property is in an area surrounded by single family dwellings. The requested zoning will allow smaller dimensions than the existing R-1 requirement. The property has roughly 96' of frontage and will be subdivided into two lots. Mr. Scrivner was granted R-2.5 zoning for property on Bob White in the past and constructed single family homes that complemented the area. Future Land use is designated as Complete Neighborhood which allows residential uses.

The Planning and Zoning Commission convened February 18, 2026, and by a unanimous vote of 7/0, recommended the City Council approve the rezone request.

**11. Application No.: RZ 9493
PUBLIC HEARING**

Mayor Lon Reisman entered into a Public Hearing at 6:06 PM for Application No.: RZ9493

No one spoke in favor or opposition regarding this annexation.

Mayor Lon Reisman closed the Public Hearing at 6:07 PM.

12. Consider Approval Ordinance Rezoning Property Located at 3181 Bob White, Parcel R39982, being BLK 1, Lot 10 & 11, of the S5530 QUAIL RUN ADDITION to the City of Stephenville, Erath County, Texas from Single-Family Residential (R-1) to Integrated Housing (R-2.5)

MOTION by Alan Nix, second by Brandon Greenhaw, to approve Ordinance No. 2026-O-03 rezoning property located at 3181 Bob White to R-2.5 as presented. MOTION CARRIED unanimously.

PUBLIC WORKS COMMITTEE

13. Public Works Committee Report from February 17, 2026

Public Works Committee Chair Alan Nix presented the Committee Report from February 17, 2026.

Agenda Item 1: Review Administrative Services Selection for the 2026-2027 TxCDBG Application

Mr. Nix and Mr. King presented a brief overview of the FY26-27 Texas Community Development Block Grant (TxCDBG) Downtown Revitalization / Main Street grant program. It was noted the grant is only available to designated Main Street cities like Stephenville for infrastructure improvements such as sidewalks and lighting in designated downtown areas. The maximum grant award is \$1,000,000 and requires a five percent match of \$50,000 for the best possible scoring application. It was noted that staff initiated the grant application process which has an application deadline of April 3, 2026. It was noted that Public Management, Inc. assisted the city on the grant application last fiscal year and the city scored fourth out of three awarded cities. It was further noted the cost of administrative services with Public Management, Inc. (PMI) would be paid from the grant award and no cost would be required if the city was not awarded the grant. A copy of the agreement with PMI was attached.

Following discussion, a motion was made by Mr. Cook, seconded by Mr. Baskett, to forward a positive recommendation to the full council to submit the grant application as presented.

The committee voted unanimously to forward a positive recommendation to the full council to submit the grant application as presented.

14. Consider Approval of Resolution Authorizing Application for the Downtown Revitalization / Main Street Program

MOTION by Alan Nix, second by Gerald Cook, to approve Resolution No. 2026-R-06 authorizing the application for the Downtown Revitalization/Main Street Program as presented. MOTION CARRIED unanimously.

15. Consider Award of Administrative Services Agreement to Public Management, Inc. for the TxCDBG Downtown Revitalization / Main Street Program

MOTION by Alan Nix, second by LeAnn Durfey, to authorize Public Management Inc.

MOTION AMENDED by Alan Nix, second by Leann Durfey, to award contract to Public Management, Inc. for the TxCDBG Downtown Revitalization/Main Street Program. MOTION CARRIED unanimously.

NOMINATIONS COMMITTEE

16. Nominations Committee Report from February 17, 2026

Nominations Committee Chair Maddie Smith presented the Committee Report from February 17, 2026.

Item 1: CONSIDER APPROVAL OF ORDINANCE AMENDING THE STEPHENVILLE CODE OF ORDINANCES, CHAPTER 32, ARTICLE 1, SECTION 32.01 AIRPORT ADVISORY

BOARD - MEMBERSHIP

In 2021 through Ordinance No. 2021-O-43, the Stephenville Code of Ordinances, Chapter 32, Article I, Section 32.01 Airport Advisory Board – Membership was amended to the following:

There is hereby created a seven-member board which shall advise the City Council on policy matters affecting the city's airport facility, and such board shall be known as the Airport Advisory Board. At least four members of the Board must be residents of the city; those not residing in the city must be residents of Erath County. Each of the seven members shall be appointed for two-year terms and until their successors are appointed and qualified. Should vacancies occur on the Board, the vacancies shall be filled in the same manner as original appointments, except such terms shall only be for the remainder of such unexpired term. The City Council shall approve the appointment of new Board members prior to January 1, since the term of office will run from January 1 to December 31.

Currently there are only 2 of the 7 seats filled by City Residents. Nominations has three applicants to fill place 7 but they are also County Residents.

Staff recommend amending the Code of Ordinances as follows:

There is hereby created a seven-member board which shall advise the City Council on policy matters affecting the city's airport facility, and such board shall be known as the Airport Advisory Board. All board members must be residents of Erath County. Each of the seven members shall be appointed for two-year terms and until their successors are appointed and qualified. Should vacancies occur on the Board, the vacancies shall be filled in the same manner as original appointments, except such terms shall only be for the remainder of such unexpired term. The City Council shall approve the appointment of new Board members prior to January 1, since the term of office will run from January 1 to December 31.

This amendment would bring the board into compliance and allow place 7 to be filled with one of the existing applicants.

MOTION by Maddie Smith, second by Alan Nix, to amend the current ordinance as presented. MOTION CARRIED unanimously. This will move forward to full Council with a positive recommendation.

Item 2: CONSIDER RECOMMENDATION OF CITIZEN BOARD AND COMMISSION NOMINATIONS

For the Airport Advisory Board, currently Place 7 is vacant.

CURRENT NOMINATIONS:

- BRANDON JOHNSON
- PAUL DICKINSON
- YORK GILL

MOTION by Maddie Smith, second by LeAnn Durfey, to appoint Brandon Johnson to Place 7 of the Airport Advisory Board. MOTION CARRIED unanimously. This will move forward to full Council with a positive recommendation.

17. Consider Approval of an Ordinance Amending the City of Stephenville Code of Ordinances, Chapter 32, Article I, Section 32.01 Airport Advisory Board — Membership

MOTION by Maddie Smith, second by LeAnn Durfey, to approve Ordinance No. 2026-O-04

amending Stephenville Code of Ordinances as presented in the Nominations Committee Report from February 17, 2026. MOTION CARRIED unanimously.

18. Consider Approval of Citizen Board and Commission Nominations for Airport Advisory Board

MOTION by Madde Smith, second by LeAnn Durfey, to appoint Brandon Johnson to Place 7 of the Airport Advisory Board. MOTION CARRIED unanimously.

FINANCIAL REPORTS

19. Monthly Budget Report for the Period Ending January 31, 2026

Monthly Budget Report for the Period Ending January 31, 2026, Director of Finance Monica Harris presented the monthly budget report as follows:

In reviewing the financial statements ending January 31, 2026, the financial indicators are overall as or better than anticipated except for property taxes and debt issuance.

Property Tax Collections: We received \$3.6 million in property taxes in the month of January, resulting in an \$819K decrease in the funds collected last fiscal year to date. The amount collected is 79% of the \$8.3 million budget, which is \$1.2 million less than anticipated.

Sales and Use Tax: We received \$853K in sales tax in January, resulting in \$283K or 8.5% more than the funds collected last fiscal year to date. The amount collected is 37% of the \$9.6 million budget, which is \$209K more than anticipated.

Revenue (by fund): Of the \$18.2 million revenue received to date, 59% was received in the General Fund, 25% was received in the Water/Wastewater Fund, 9% was received in the Landfill Fund, and 3% was received in the Storm Water Drainage Fund. The remaining funds received 1% or less.

Revenue (budget vs. actual): We received 35% of the total budgeted revenue through January, which is \$8.8 million less than anticipated due to property taxes, debt proceeds, for which debt was not issued until February, and delayed interfund transfers.

Revenue (prior year comparison): We received \$13K less revenue through January than last fiscal year to date due to taxes.

Expenditures (by fund): Of the \$12.4 million spent to date, 62% was expended in the General Fund, 24% was expended in the Water/Wastewater Fund, and 11% was expended in the Landfill Fund. The remaining funds spent 1% or less of the expenditures.

Expenditures (budget vs. actual): We have expended 20% of the total budgeted expenditures through January, which is \$12.5 million less than anticipated due to personnel, contractual, capital outlay, and delayed interfund transfers.

Expenditures (prior year comparison): We spent \$2.3 million more in expenditures through January than last fiscal year to date due personnel, operating expenditures, and capital outlay.

SEDA Revenue Comparison: SEDA has received 37% of budgeted revenue through January, which is \$21K more than last fiscal year to date due to taxes and \$18K more than anticipated due to taxes and interest income.

SEDA Expenditure Comparison: SEDA has spent an overall 37% of budgeted expenditures

through January, which is \$13K less than last fiscal year to date due to general services and \$10K more than anticipated due to machine & equipment maintenance and capital outlay.

CONSENT AGENDA

MOTION by David Baskett, second by Brandon Greenhaw, to approve Consent Agenda as presented. MOTION CARRIED unanimously.

20. **Consider Approval of Minutes from February 2, 2026 - Regular Meeting**

21. **Consider Approval of Minutes from February 17, 2026 - Special Meeting**

COMMENTS BY CITY MANAGER

COMMENTS BY COUNCIL MEMBERS

EXECUTIVE SESSION

Mayor Lonn Reisman recessed the Regular Meeting at 6:27 PM and convened the Executive Session at 6:30 PM.

Mayor Lonn Reisman adjourned the Executive Session at 6:47 PM and reconvened the Regular City Council meeting at 6:49 PM.

22. **Section 551.087 Deliberation Regarding Economic Development Negotiations - Project AS**

ACTION TAKEN ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF NECESSARY

ADJOURN

Mayor Lonn Reisman adjourned the meeting at 06:49 PM.

EXECUTIVE SESSION NOTICE

Lonon Reisman, Mayor

ATTEST:

Sarah Lockenour, City Secretary



CITY COUNCIL
MEETING MINUTES
SPECIAL MEETING
MARCH 17, 2026

CALL TO ORDER

The City Council of the City of Stephenville, Texas, convened on Tuesday, March 17, 2026, in the City Hall Council Chambers, 298 West Washington Street, for the purpose of a Regular City Council Meeting, with the meeting being open to the public and notice of said meeting, giving the date, time, place and subject thereof, having been posted as prescribed by Chapter 551, Government Code, Vernon's Texas Codes Annotated, with the following members present, to wit:

Council Present:

City Council Mayor Lonn Reisman
City Council Place 1 LeAnn Durfey
City Council Place 2 Gerald Cook
City Council Place 4 Dean Parr
City Council Place 5 Maddie Smith
City Council Place 7 Brandon Greenhaw
City Council Place 8 Alan Nix

Council Absent:

City Council Place 6 David Baskett

Others Attending:

Jason King, City Manager
Randy Thomas, City Attorney
Sarah Lockenour, City Secretary

Mayor Lonn Reisman called the Regular Meeting to order at 05:30 PM.

REGULAR AGENDA

1. Presentation Regarding 391 Erath-Somervell County Sub-Regional Planning Commission

Erath County Judge Brandon Huckabee presented an invitation for the City of Stephenville to join the Erath-Somervell Sub-Regional Planning Commission with two places for Stephenville elected officials. The goal of the commission is planning and coordination that is beneficial to our region.

2. Consider Approval of Resolution Authorizing and Approving Joining of a Sub-Regional Planning Commission to be known as the Erath-Somervell County Sub-Regional Planning Commission

MOTION by Alan Nix, second by LeAnn Durfey, to approve Resolution No. 2026-R-07 joining the Erath-Somervell County Sub-Regional Planning Commission as presented. MOTION CARRIED unanimously.

3. **Consider Appointment of a Designee for the Erath-Somervell County Sub-Regional Planning Commission**

MOTION by Alan Nix, second by LeAnn Durfey, to appoint Lonn Reisman and Gerald Cook as the designees to serve for the City of Stephenville on the Erath-Somervell County Sub-Regional Planning Commission. MOTION CARRIED unanimously.

Mayor Reisman recessed the Special City Council meeting at 5:35 PM.

Mayor Reisman reconvened the Special City Council meeting at 6:13 PM.

4. **Consider Approval of Election Contract with Erath County Clerk's Office for the May 2, 2026 General Election**

City Secretary Sarah Lockenour presented this item to Council.

Staff requests Council approve the contract for election services with Erath County Clerk's Office for running of the 2026 General Election.

MOTION by Maddie Smith, second by Dean Parr, to approve the election services contract with the Erath County Clerk's Office for the running of the 2026 General Election. MOTION CARRIED unanimously.

5. **Consider Repeal of Development Contract with North 94 Land Development, LLC**

City Manager Jason King presented this item to Council.

On February 17, 2026, City Council approved a development contract with North 94 Land Development, LLC. for the preliminary work towards development of a new Administration Building for the City of Stephenville. After further review, staff wish to repeal the contract and start the process again at a later date.

MOTION by Gerald Cook, second by Alan Nix, to repeal the development contract with North 94 Land Development, LLC. MOTION CARRIED unanimously.

PUBLIC WORKS COMMITTEE

6. **Consider Award of the 2026 Harbin Drive Crosswalk Beacons Project**

Public Works Committee Chair Alan Nix presented the Committee Report from February 17, 2026.

Agenda Item 2: Review Bids for the 2026 Harbin Drive Crosswalk Beacons Project

Discussion: Mr. Nix presented an overview of the project noting the bid for the 2026 Harbin Drive Crosswalk Beacons Project would provide pedestrian-activated crossing assistance across Harbin Drive at Tarleton Street. Mr. Nix noted the low bid was received from Texas Traffic, LLC of Everman, Texas at a cost of \$147,580.00 and staff checked and verified references. It was noted the project would take approximately 120 calendar days to complete. It was further noted the crosswalk beacons were not

specifically budgeted, but ample funds are available from the Annual Pavement Maintenance funds.

Following discussion, a motion was made by Mr. Baskett, seconded by Mr. Parr, to forward a positive recommendation to the full council to award the project to Texas Traffic, LLC as presented.

The committee voted unanimously to forward a positive recommendation to the full council to award the project to Texas Traffic, LLC as presented.

MOTION by Alan Nix, second by Maddie Smith, to award the 2026 Harbin Drive Crosswalk Beacons Project to Texas Traffic, LLC as presented. MOTION CARRIED unanimously.

RECESS TO EMPLOYEE BENEFITS TRUST MEETING

Mayor Reisman recessed the Special City Council Meeting at 6:19 PM.

EMPLOYEE BENEFITS TRUST MEETING

7. CALL TO ORDER

Mayor Reisman called the Employee Benefits Trust Meeting to order at 6:19 PM.

8. Discuss Employee Benefits for Plan Year 2026-2027

City Manager Jason King presented the Employee Benefits for Plan Year 2026-2027 to the Employee Benefits Trust.

In summary, staff recommend switching from Blue Cross Blue Shield to United Healthcare in order to minimize a cost increase for the City. The City would maintain the two current plans, PPO and HSA, with similar coverage options. The City also plans to have a MERP plan which would offset the increased deductible costs.

MOTION by Brandon Greenhaw, second by LeAnn Durfey, to recommend to full Council the Employee Benefits Plan as discussed. MOTION CARRIED unanimously.

9. ADJOURN EMPLOYEE BENEFITS TRUST MEETING

Mayor Reisman adjourned the Employee Benefits Trust Meeting at 6:21 PM.

RECONVENE TO CITY COUNCIL MEETING

Mayor Reisman reconvened the Special City Council meeting at 6:21 PM.

10. Consider Approval of Employee Benefits for Plan Year 2026-2027

MOTION by Brandon Greenhaw, second by Dean Parr, to approve the Employee Benefits for Plan Year 2026-2027 as presented and forwarded by the Employee Benefits Trust. MOTION CARRIED unanimously.

EXECUTIVE SESSION

Mayor Reisman recessed the Special City Council meeting at 6:22 PM and convened the Executive Session at 6:26 PM.

Mayor Reisman adjourned the Executive Session at 6:58 PM and reconvened the Special City Council meeting at 6:59 PM.

11. **Section 551.074 Personnel Matters - to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, to wit: Director of Administrative Services**

12. **Section 551.071 Consultation with Attorney - to Consult Over a Pending or Contemplated Litigation Regarding S2600 CITY ADDITION**

ACTION TAKEN ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF NECESSARY

12. Section 551.071 Consultation with Attorney — to Consult Over a Pending or Contemplated Litigation Regarding S2600 CITY ADDITION

MOTION by Alan Nix, second by LeAnn Durfey, to authorize the City Manager to sign releases as discussed in Executive Session. MOTION CARRIED unanimously.

ADJOURN

Mayor Lon Reisman adjourned the meeting at 07:00 PM.

EXECUTIVE SESSION NOTICE

Lon Reisman, Mayor

ATTEST:

Sarah Lockenour, City Secretary

